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# THE NATION'S BUSINESS

July  
1923



25  
Cen

Mr. J. M. City, Vice Pres.  
American Telep. & Teleg. Co.  
195 Broadway,  
New York, N. Y.

## A Look Ahead at Business

Midyear Reports and Forecasts

By Archer Wall Douglas and Frank Greene

*(Business Conditions Maps on page 15)*

## The Cost of Convenience, Who Pays

By A. Lincoln Filene

*Closing the first series on Distribution*

## Immigration, a Legislative Viewpoint

By Albert Johnson

*Chairman, House Committee on Immigration*

## We Shall Find the Motor Fuel We Need

By Edward Prizer

*President, Vacuum Oil Company*

## Berlin to Bagdad, Brought Up to Date

By Frederick Simpich

*Complete Table of Contents on page seven*



Published by the Chamber of Commerce of the United States

MORE THAN 105,000 CIRCULATION



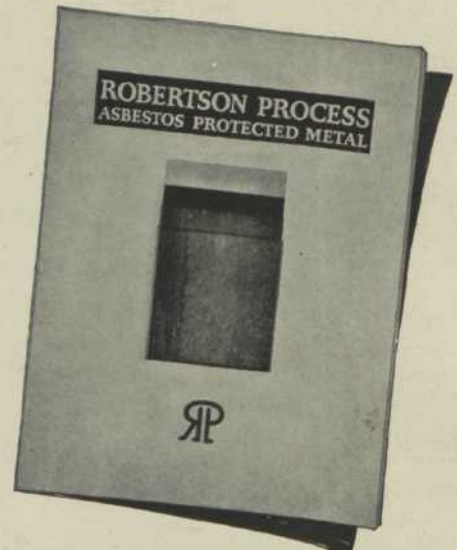
# Here Are Two Things You Should Have



## A Sample of APM

Those who have found it hard to get a roofing or siding material that will "stand the gaff" on industrial buildings should have two things:

*First*, a sample of Robertson Process Asbestos Protected Metal (APM) showing how this steel sheeting is protected by three factory-applied coatings, (1) asphalt (2) asbestos felt and (3) waterproofing; and how it combines the merits of corrugated steel with those of built-up roofing applied to *both* sides of the sheet. Because of these coatings, APM is immune to the action of smoke, steam, fumes, gases, and weather, its insulating value is high and it never requires painting.



## The New Robertson Catalog

*Second*, you should have a copy of the Robertson Catalog. This describes other uses of Asbestos Protected Metal and gives additional reasons why it is durable, adaptable and economical. It includes detail drawings, estimating data, tables, specifications and other information that should be in the files of every buyer of roofing and siding for industrial buildings. It gives proof of the satisfactory service APM is giving many of the country's largest industrial concerns. We suggest that you send today for the sample of APM and the Robertson Catalog. The coupon at the left is for your convenience. You will save money by mailing it.

**H. H. ROBERTSON COMPANY, Pittsburgh, Pa.**

*Branches in all Principal Cities*

*For Canada: H. H. Robertson Company, Limited, Sarnia. General Sales Agents for Canada and Newfoundland: B. & S. H. Thompson & Co., Ltd., Montreal and Principal Cities.*

**H. H. Robertson Company,**  
Pittsburgh, Pa.

Send me without obligation a process sample of Robertson Process Asbestos Protected Metal (APM) and a copy of the New Robertson Catalog.

Name .....  
Address .....  
City .....  
State .....

N. B. July

### Prominent Users of APM

|  | First Order |            |
|--|-------------|------------|
| American Steel & Wire Company.....     | 1908        | 46 orders  |
| Bethlehem Steel Corporation.....       | 1910        | 51 orders  |
| Carnegie Steel Company.....            | 1912        | 87 orders  |
| Davison Chemical Co.....               | 1908        | 72 orders  |
| General Chemical Co.....               | 1909        | 130 orders |
| Hudson Coal Co.....                    | 1918        | 59 orders  |
| Lehigh Coal & Navigation Co.....       | 1914        | 45 orders  |
| Packard Motor Co.....                  | 1915        | 27 orders  |
| Pennsylvania System.....               | 1909        | 112 orders |
| Standard Oil Co. and Subsidiaries..... | 1912        | 155 orders |
| United Fruit Co.....                   | 1919        | 42 orders  |
| United States Steel Corporation.....   | 1909        | 272 orders |

# ROBERTSON PROCESS ASBESTOS PROTECTED METAL



TRADE MARK REG. U.S. PAT. OFF.



# TRUSCON

TRUSCON STEEL CO.

## COPPER STEEL STANDARD BUILDINGS

HOWE  
TIRES

THE  
GENERAL  
CORD TIRE

GOOD YEAR

Silvert Edge  
Raybestos

Gray  
Motor Corporation

Ford  
THE UNIVERSAL CAR

Oakland Six

MAXWELL

JORDAN

GMC

COLUMBIA  
SIX

H  
Hupmobile

PIERCE-ARROW

LINCOLN

FISHER  
BODY

ATWATER  
KENT

Thermoid  
Brake Lining

TORBENSEN  
AXLES

HYATT QUIET BEARINGS

HOLLEY  
The QUALITY CARBURETOR

RED CROWN  
GASOLINE

SAFARI  
GASOLINE

HAVOLINE

JEWETT

REO

DORT

CHEVROLET

PAIGE

Studebaker

DB

5—A series of advertisements  
on better buildings for one-  
and two-story industrial uses  
—made to order from standard stock units—  
with resulting economy in cost and time of erection.

## In The Automotive Industry

Truscon Standard Buildings are receiving wide recognition by manufacturers of automobiles,—parts and accessories. The adaptability of the Truscon Copper Steel Building to this class of manufacture has given Truscon unusual prestige with this great national industry.

An industry of intense specialization, requiring unremitting study of materials and engineering standards in order to manufacture quality products at lowest over-head cost,—this stamp of approval for Truscon Copper Steel Buildings has untold significance.



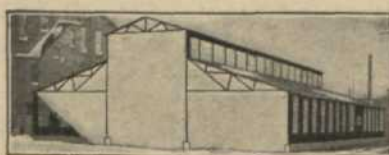
TYPE 1 (Clear Span)  
Widths—8'-12'-16'-20'-24'-28'-32'-40'-48'-50'-60'-65'



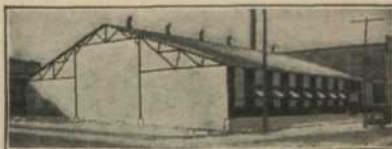
TYPE 4 (4 Bays) with Lantern  
Widths—80'-100'-112' (4 Bays @ 20'-25' or 28')



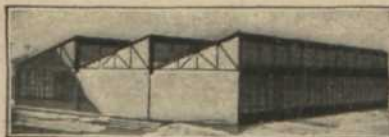
TYPE 2 (2 Bays) with Lantern  
Widths—40'-48'-50'-55'-60'



TYPE 3M (Monitor)  
Widths—60'-64'-68'-72'-76'-80'-84'-88'-90'-94'-98'-100'-106'-108'-112'



TYPE 3 (3 Bays)  
Widths—50'-60'-64'-68'-72'-76'-80'-84'-88'-90'-98'-100'-106'-112'



SAWTOOTH TYPE  
Widths—Any Multiple of 28'-0"

We invite other manufacturers to investigate the advantages of these standardized buildings from the viewpoint of economy of manufacturing equipment and permanent investment.

The accompanying sectional perspectives show only a few typical arrangements of Truscon Standard Buildings. Built entirely of steel, including walls, roofs, doors and windows, there is nothing about these buildings that can burn. Walls and roofs are made of copper steel which resists corrosion. Truscon Standard Buildings can be readily enlarged or dismantled or re-erected in a new location with 100% salvage value.

Write for Details

Return coupon or write us for suggestions, catalogue and prices.

TRUSCON STEEL COMPANY, Youngstown, O.

Warehouses and Offices from Pacific to Atlantic.  
For Addresses see phone books of principal cities.  
Canada: Walkerville, Ont. Export Div.: New York

Send me useful building book and suggestions on building to be used for

Type.....Length.....Width.....Height.....

Name.....

Address.....(NB-7)





## What is the Value of a Good Name?

**W**HAT is the money value of the goodwill which the Buick, Cadillac, Chevrolet, Oakland and Oldsmobile passenger cars and GMC Trucks have created with nearly two million users throughout the world?

The assets of General Motors include not only the good names of these automobiles but also nationally advertised trade-marked accessories which contribute to the success of so many other trustworthy cars.

Plants of General Motors are valued at 255 millions of dollars—ten times the goodwill. Yet the intangible asset of goodwill is invisible capital and has a distinct earning power at least equal to the plants.

It would be far easier to replace bricks and mortar than to recreate goodwill for the products of those plants.

Co-ordination of departments, installation of good accounting, development of sound banking, systemization of manufacturing, selection of sufficient and capable, loyal employes, which make up the General Motors family, has been a painstaking growth of many years.

These intangible things have added immeasurable value to the worth and earning power of the plants of General Motors; in fact, the plants would quickly turn to lifeless material were it not for the living influence of those intangible values, classed as goodwill.

*A General Motors booklet will be mailed you, if a request is directed to the Department of Financial Publicity, General Motors Corporation, New York.*

# GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

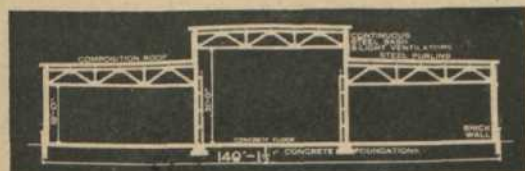
Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings  
 Hyatt Roller Bearings • Jaxon Rims • Fisher Bodies • AC Spark Plugs—AC Speedometers  
 Brown-Lipe-Chapin Differential Gears • Klaxon Warning Signals  
 Inland Steering Wheels • Lancaster Steel Products • Jacox Steering Gears  
 Dayton Wright Special Bodies • Delco-Light Power Plants and Frigidaire

- United Motors Service provides authorized national service for General Motors accessories •
- General Motors Acceptance Corporation finances distribution of General Motors products •
- General Exchange Corporation insures General Motors cars exclusively •

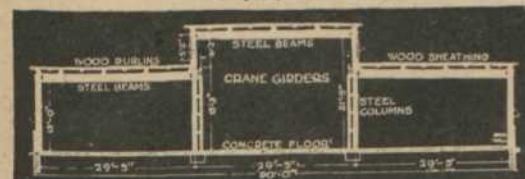




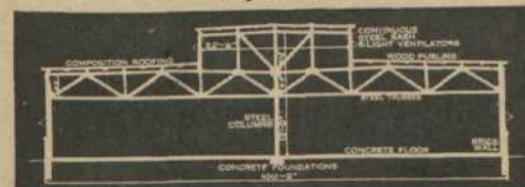
A Typical Austin Permanent Building—60,000 sq. ft. of this Type can be Delivered at Low Cost in 60 Working-days.



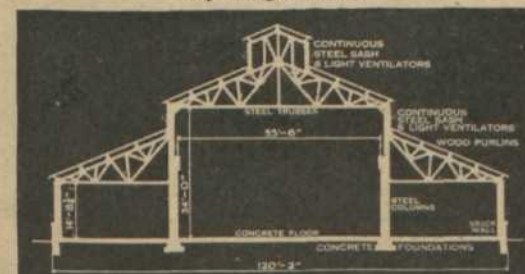
Cross section Austin No. 10 Standard Building, width 150 ft., can be varied in multiples of 50 ft. Length any multiple of 20 ft.



Cross section Austin No. 2 Standard Building. Width—90 ft., can be varied in multiples of 50 ft. Length—Any multiple of 20 ft.



Cross section Austin No. 3 Standard Building. Normal width 100 ft. Can be varied in multiples of 50 ft. Length, any multiple of 20 ft.



Cross section Austin Nos. 5, 6 and 7 Standard Buildings. Width—Side aisles 30 ft. Center aisles approximately No. 5, 40 ft.; No. 6, 50 ft.; No. 7, 60 ft. Length—any multiple of 20 ft.

## How the Austin Method Reduces Building Costs

Shop-work costs less than field work. By a smaller percentage of building construction on the job and a larger amount of shop-work at lower cost for labor, your building costs can be materially reduced. This is one way the Austin Method will serve you.

And while the maximum shop work is lowering costs it cuts down the building time, and places your building investment upon a profitable basis quickly.

But there is another reason for today's low cost of Austin Permanent Buildings—Prefabricated Steel is *now* in stock ready for immediate shipment. Time will be saved and time is money.

Furthermore you will have a larger percent of usable floor space. You will require *less* building. Austin Buildings, whether Standard

or Special, are designed so that the maximum use is made of the steel, brick, concrete and other permanent materials that go into them.

Millions of square feet of Austin Buildings have been erected by Austin forces. This is experience that can be profitably applied to your building problem.

Take the Austin No. 3 Standard Building as an example. It will give you 2,000 square feet of unobstructed floor space for every interior column. This floor space can be delivered to you quickly because the building is ready for erection *now*—anywhere you need it. And it's just one of the different types Austin engineers can deliver to you at *low cost* and in *record time*.

Let Austin engineers discuss your building problem *now*. Phone, wire or use the coupon.

THE AUSTIN COMPANY, Cleveland  
Engineers and Builders

NEW YORK  
ST. LOUIS  
DETROIT

CLEVELAND  
BIRMINGHAM  
PHILADELPHIA  
PORTLAND

PITTSBURGH  
CHICAGO  
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THE AUSTIN COMPANY OF CALIFORNIA  
LOS ANGELES, SAN FRANCISCO  
THE AUSTIN COMPANY OF TEXAS, DALLAS

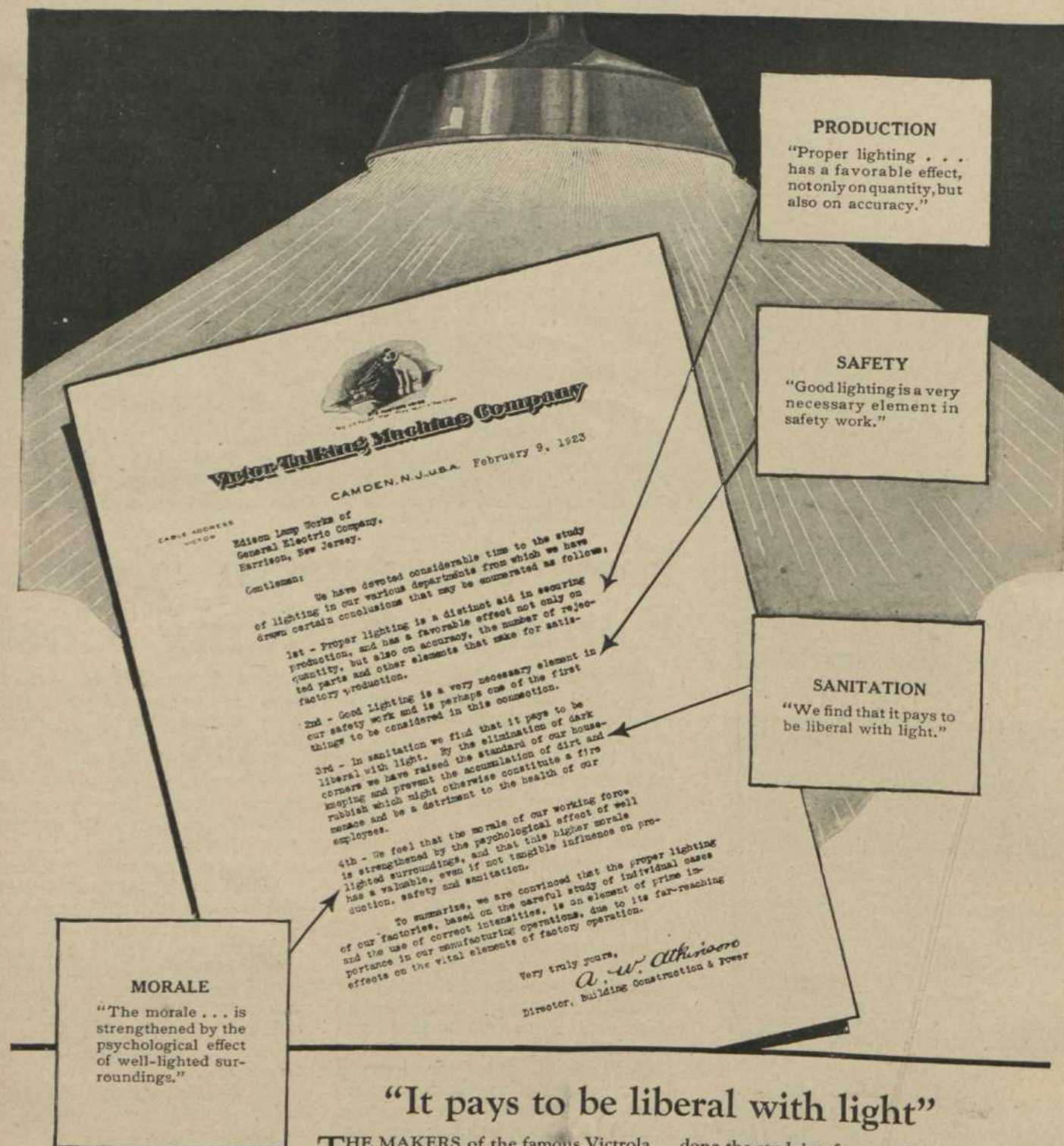


# AUSTIN

ENGINEERING BUILDING EQUIPMENT

N. B. 7-23 THE AUSTIN COMPANY, Cleveland  
We are interested in a.....building.  
Approximate size.....stories high.  
Please tell us more about low-cost Austin Buildings and  
send us a copy of your booklet, "Multistory or Single  
Story—Which?" Also send us a copy of the  
new Austin Book of Buildings.  
Firm.....  
Individual.....  
Address.....





**Victor Talking Machine Company**  
CAMDEN, N. J. U.S.A. February 9, 1923

CABLE ADDRESS  
VICTOR  
Edison Lamp Works of  
General Electric Company,  
Harrison, New Jersey.

Gentlemen:

We have devoted considerable time to the study of lighting in our various departments from which we have drawn certain conclusions that may be enumerated as follows:

1st - Proper lighting is a distinct aid in securing production, and has a favorable effect not only on quantity, but also on accuracy, the number of rejected parts and other elements that make for satisfactory production.

2nd - Good lighting is a very necessary element in our safety work and is perhaps one of the first things to be considered in this connection.

3rd - In sanitation we find that it pays to be liberal with light. By the elimination of dark corners we have raised the standard of our house-keeping and prevent the accumulation of dirt and rubbish which might otherwise constitute a fire menace and be a detriment to the health of our employees.

4th - We feel that the morale of our working force is strengthened by the psychological effect of well lighted surroundings, and that this higher morale has a valuable, even if not tangible influence on production, safety and sanitation.

To summarize, we are convinced that the proper lighting of our factories, based on the careful study of individual cases and the use of correct intensities, is an element of prime importance in our manufacturing operations, due to its far-reaching effects on the vital elements of factory operation.

Very truly yours,  
*A. W. Atkinson*  
Director, Building Construction & Power

**PRODUCTION**  
"Proper lighting . . . has a favorable effect, not only on quantity, but also on accuracy."

**SAFETY**  
"Good lighting is a very necessary element in safety work."

**SANITATION**  
"We find that it pays to be liberal with light."

**MORALE**  
"The morale . . . is strengthened by the psychological effect of well-lighted surroundings."

**"It pays to be liberal with light"**

THE MAKERS of the famous Victrola decided this after "considerable time devoted to the study of lighting." With the special booklet we have prepared on your particular kind of business, considerable time is not needed—we have


done the studying for you. The booklet will be sent without obligation, if you write, mentioning your kind of business, to The Lighting Service Department, Edison Lamp Works of General Electric Company, Harrison, N. J.



**EDISON MAZDA LAMPS**

A GENERAL ELECTRIC PRODUCT





## TO MAINTAIN LINCOLN REPUTE

More generous commendation has seldom been extended to a motor car than that evidenced in the readiness with which the Lincoln was accorded its place among the aristocracy of the automotive world.

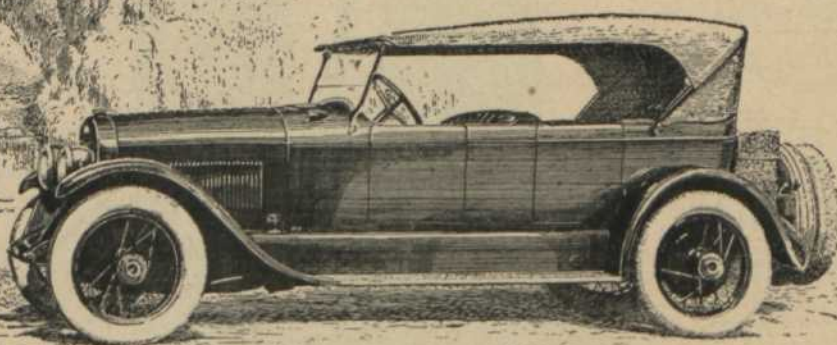
Although one of the youngest of fine cars, it already has its traditions. The sound engineering embodied in its design—the faithful accuracy of its manufacture—the resultant faultless performance through many years of life—these have, from the very first, been unanimously granted it.

It is the fixed determination of the vast organization now sponsoring the Lincoln that nothing in manufacturing practice or in sales and service policy shall be permitted to detract for one moment from this high standing in public esteem.

---

LINCOLN MOTOR COMPANY

DIVISION OF FORD MOTOR COMPANY, DETROIT, MICHIGAN



*The Four Passenger Phaeton*

L I N C O L N





## What's in your telephone

This picture, taken "behind the scenes", gives some idea of the complexity of your telephone. In the 201 parts which make up this instrument are materials brought from every corner of the earth.

To select these materials and refine them, to produce from them the finely-wrought coils and contacts and diaphragms, to assemble the many parts into a smooth-working and long-lasting telephone—all this calls for a manufacturing skill of high order.

Western Electric telephones are the product of fifty-four years' manufacturing experience.

### Western Electric

Since 1869 Makers of Electrical Equipment

No. 4 of a series  
on raw materials.



ALUMINUM



SILK



IRON



COPPER



RUBBER

Receiver case; diaphragm cap.



WOOL

Felt pad at base.



FLAX

In linen paper in transmitter button.



NICKEL

Contact springs. Also for nickel plating transmitter parts.



MICA

Transmitter button.



COAL

Carbon granules in transmitter button.



SHELLAC

Used in mouthpiece composition.



PLATINUM



GOLD



SILVER



COTTON



ZINC

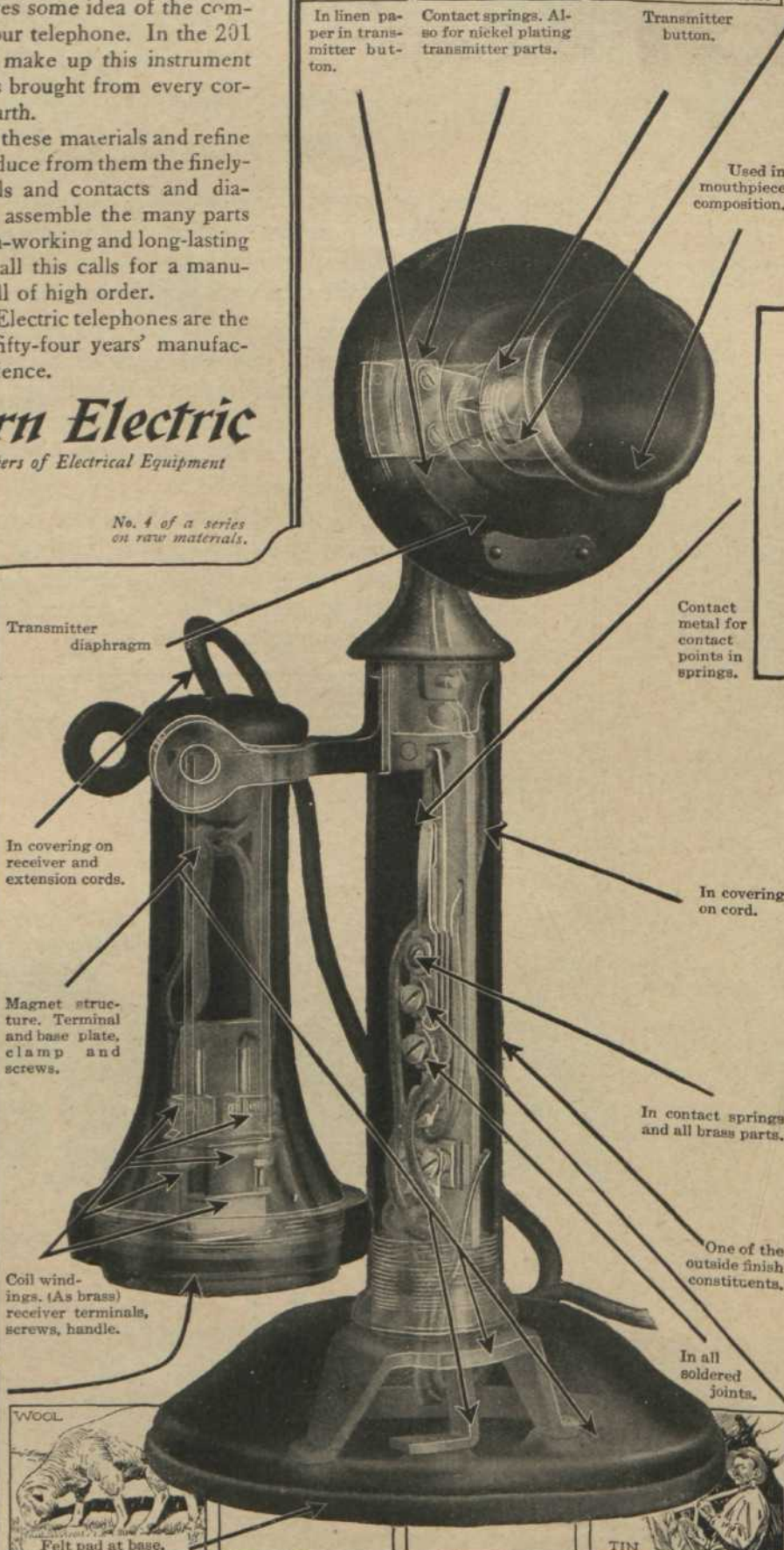


ASPHALT



LEAD

Used in solder with tin.



Transmitter diaphragm

In covering on receiver and extension cords.

Magnet structure. Terminal and base plate, clamp and screws.

Coil windings. (As brass) receiver terminals, screws, handle.

Contact metal for contact points in springs.

In covering on cord.

In contact springs and all brass parts.

One of the outside finish constituents.

In all soldered joints.

TIN



## Through the Editor's Spectacles

THESE TWO letters came almost in the same mail, each written a very few days after the June issue of THE NATION'S BUSINESS was in the hands of its readers. Each seems to answer the other. Here they are, the first coming from Chicago:

I have just finished reading your article entitled "Couzens, Radical—and Rich," by James B. Morrow in your June issue.

I would like to suggest that you read it again yourself. James B. Morrow is apparently a pretty skillful writer, yet in another sense he is not so skillful. The article is not nearly subtle enough; it is obviously and outstandingly biased—the bias really borders on prejudice, and extreme prejudice. Mr. Morrow ridicules Senator Couzens' claim to an open mind. It is certainly apparent to me that Mr. Morrow should not throw stones. This whole article is couched in such sarcastic and, in many ways, crude reflections on Mr. Couzens' views that it seems obvious to me that he (Mr. Morrow) is utterly unfit to report accurately such an interview.

The fact is, I do not feel particularly friendly toward Mr. Couzens, neither unfriendly. A great deal has been said about this gentleman of late, and naturally any articles regarding him are of more or less interest to everyone. While you perhaps do not realize it, to use the words of the poker player, you are the best partner Mr. Couzens ever had. The whole article is very offensive, and especially the obvious unfair spirit of it.

The second comes from Omaha:

I am not even expecting that this communication will be the first one which you will receive on the subject of Mr. Morrow's interview with Senator Couzens, reported on pages 22 and 23 of THE NATION'S BUSINESS for June, but this statement is so full of half truth that I cannot resist the inclination to write you to urge that some intelligent interview on the other side of this question be obtained and given equal space in the July issue. If it is a fact, and I understand that it is, that the Detroit city street railways are relieved of the payment of taxes, then Senator Couzens' figure of \$850,000 net would be changed to a brilliant carmine color if he were obliged to deduct the amount of taxes which would naturally accrue against a privately owned system. In addition, it is my understanding that the five-cent fare charged by the Detroit municipally owned street railways is a misnomer, because an additional charge is made for transfers, from which a tremendous annual revenue is derived, and because of which the average revenue per passenger must necessarily exceed the five-cent figure by a substantial percentage.

Would like to offer this suggestion—that when misrepresentations of this character are to be given publicity in THE NATION'S BUSINESS, the other side be presented with equal prominence and in the same issue. It takes a long time for the truth to catch up with a lie, and it seems to me that it behooves us to play fair by giving the truth an equal start.

J. H. PUELICHER, president of the American Bankers Association, writes:

I have read your magazine with much interest, and was especially impressed with your comment on the two sentences from Herbert Hoover's book, "American Individualism." The

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Vol. 11

## THE NATION'S BUSINESS

No. 8

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MERLE THORPE, Editor and Publisher

Managing Editor  
WARREN BISHOP

Assistant Editors  
BEN H. LAMBE  
JOYCE O'HARA

Asst. Business Manager  
J. B. WYCKOFF

Associate Editor  
HOWARD WHEELER

RAYMOND WILLOUGHBY

Director of Advertising  
VICTOR WHITLOCK

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

graphic way in which you set up the placard showing the humble beginnings of a number of our most prominent political figures ought to attract attention. It is just this impression of America's opportunities and possibilities which it is of essential value to bring before the American people at this time. I am glad to see that you are aiding in the furthering of such helpful doctrine.

VERILY our mail box is a source of constant help and inspiration. Surely no other publication in the country has such a host of well-wishers, and their well-wishes are a daily tonic to the entire staff. Judge for yourself these excerpts from our mail basket:

I do not seem to have received the last copy of your publication. If it is like the others, and I guess it is, it is too good to miss. May I ask you to mail me a copy?—Arnold W. Francis, Crude Rubber Broker, New York

More valuable and useful information in THE NATION'S BUSINESS than any other magazine I

know, of its type. Always interesting and instructive, giving the individual a view of conditions as they are today which so many people need and do not get. So I hope your family of readers will continue to grow.—H. C. Baldrige, Parma, Idaho.

THE NATION'S BUSINESS is for the man who can see things in a big way, the finest publication I have ever seen.—John Frank De Baun, Ramsey, N. J.

The color reproductions of "The Spirit of Transportation" are unquestionably works of art. . . . Cannot commend you too highly upon this number.—B. A. Worthington, President, C. I. & W. R. R. Co.

Note consistent improvement from year to year in the quality of the material that is treated in your magazine.—C. V. Logan, Secy.-Treas., Barnes-Fain Co., Atlanta.

THE NATION'S BUSINESS is doing an immense amount of good.—Chas. L. Peterson.

The best general business publication in the United States, especially your articles on business



**RADIOGRAM**  
WORLD WIDE WIRELESS  
RADIO CORPORATION OF AMERICA  
233 BROADWAY NEW YORK

Send the following Radiogram "Via RCA" subject to terms on back hereof, which are as follows:

Distant markets—  
close to home

# RADIOGRAMS

## Cut Business Costs by Cutting Distances

**T**IME is a big element of cost in business. Quick sale. Swift question and reply. Delays cut to zero. That is the service of Radiograms — bringing Europe into almost instantaneous reach for business communication — bringing far-away sources of production close to American markets.

**How to send a Radiogram:** In New York, in Washington or San Francisco, phone for an RCA messenger. In other cities, use the nearest Postal Telegraph office to send a Radiogram to Europe. Use the nearest Western Union office for Radiograms to Japan and Hawaii. To any country—and to passengers on ships at sea be sure to mark every message



Send To-day  
for  
Radiogram  
Rate Sheet

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| 19 Spruce Street.....Beekman 8220     | 1824 Broadway.....Columbus 4311          |
| 126 Franklin Street.....Franklin 2675 | 51 East 42nd Street.....Murray Hill 4996 |

SAN FRANCISCO, 300 California Street, Douglas 3030

WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400

CHICAGO.....10 So. La Salle St.  
BOSTON.....60 Congress Street  
NEW ORLEANS.....Carondelet Building  
BALTIMORE.....Gay & Pratt Streets  
NORFOLK, Va.....220 Brewer Street

PHILADELPHIA.....The Bourse  
CLEVELAND.....1599 St. Clair Ave.  
SEATTLE.....Maritime Building  
PORT ARTHUR, Texas.....Realty Building  
HONOLULU, T. H.....923 Fort Street

conditions.—C. B. Robbins, President, Cedar Rapids Life Insurance Co.

Of considerable assistance to me.—G. W. Woodward, Albany, N. Y.

I appreciate THE NATION'S BUSINESS and can easily understand its healthy growth in circulation.—E. Allen Reives, Abington, Pa.

I often mark some article for a friend and pass it along... more strength to your elbow... Howard's letter to his friend Ed. Skinner dovetails with my idea of what is instructive and amusing, and completes what I consider a damn good magazine.—M. C. Cleveland, Lehigh Valley Railroad.

**M**ANY OF our correspondents take time out to comment on particular articles. We welcome this, as it helps us to form our judgment on the class of material that is most desired by our readers. Several readers wrote that they identified Cedarville; and that is a test of a good article. Conditions portrayed were typical of many small chambers of commerce which were founded on an actual concrete need and after organization filled that need completely.

A director of an Indiana chamber of commerce, who was chairman of its industries committee, writes that he was much interested in the article "The City That Got the Facts." In a similar investigation which his committee made of an automobile company that was seeking a new location, it was found that the company was losing more than \$100 per car manufactured, and the president of the automobile company was astounded to learn that he was selling his product for less than its cost. Work of this kind by chambers of commerce is exceedingly helpful, and much more desirable than the old-time practice of getting industry sight-unseen at any cost.

**L**IKEWISE, "America's Most Important Street" was recognized by a number of our readers. John B. Yarnall, of Raleigh, N. C., writes:

I enjoyed reading your May issue, and particularly your article "America's Most Important Street." The spirit on which this story is based is typical of North Carolina. The state sanitary engineer informs me that there are one hundred and sixty-eight separate and distinct water and sewer systems in North Carolina serving 650,000 people, an indication that every system represents a modern, wide-awake town and a very large proportion of systems to population, considering that there are less than three million people in the state. To my mind, the fact that our people are well distributed in small thriving towns is a sure indication of a wonderful future. After living in a large city all my life, until recently, I am a strong believer in the small town as offering the same, if not better opportunities, than the large city, to the man that goes after them.

**M**R. E. A. H. BAKER, of the Kennicott Patterson Transfer Co., Denver, finds a new purpose for THE NATION'S BUSINESS. He says:

Personally I feel THE NATION'S BUSINESS is doing much constructive good, and if you can continue to put out official figures which will repudiate those being presented by the radical forces of the country it will be a very great help towards solidifying the thoughts of the average business man along proper lines. Such expressions as were given in Congress by Senator



Brookhart were simply distorted views of Brookhart and do not represent official figures at all. The only way to combat such propaganda is to meet it with actual facts and figures. If business men can obtain figures which they know to be correct, there will be more action taken towards the repudiation of figures given out by radicals.

**E. A. BUTLER**, of the Pennsylvania Indemnity Exchange, writes that he has just read with approval the article on "Main Streetism." It is a very interesting story, he says, and adds that "THE NATION'S BUSINESS is becoming more and more interesting with each number."

**A** NUMBER of letters like the following has led us to incorporate in the business conditions map, the map of a year ago, in the hope that the addition will make the map of more value to our readers:

We keep a complete file of THE NATION'S BUSINESS and frequently get it out to compare your business conditions maps over a period of one or two years.—**J. L. Murray**, Corn Belt Oil Co., Bloomington, Ill.

"**EVERY** business man," writes an enthusiastic subscriber, "ought to be compelled by law to read THE NATION'S BUSINESS."

With deep appreciation of the implied compliment, we cannot, however, bring ourselves, even in such a worthy cause, to legislate any more "thou shalt" and "thou shalt not" for the patient American business man.

**R. E. VICK**, secretary, Speer Hardware Company, Fort Smith, Ark., enlivens an otherwise dull and drab day with this letter:

Was much interested in your article "The High Cost of Government." It reminded me of a conversation I had some days back with an ex-office holder, who has gone into business for himself. I said, "John, what is the matter? I haven't seen you at a baseball game lately, while formerly you never missed a game." "Well," he says, "I'll tell you; I was working for the state and took time to go to all the games. Now I am working for myself and have to put in all my time at it in order to make a living."

Another incident, which may illustrate some of the causes underlying the high cost of government. Some years ago a salesman for a western wholesale hardware company sent in an order for the finest range in stock to be shipped complimentary to one of his customers who had gotten married. The manager looked at the order and said, "Bill is darn liberal with other people's money."

**THE** Kentucky Manufacturers Association, through its secretary, C. C. Ousley, asks for permission to reprint and circulate "Backing Up Your Congressman," which appeared in the May number. "In the humble judgment of the writer," says Mr. Ousley, "this is the sort of article that makes a lasting, and therefore valuable, impression on the mind of every reader."

**SIMILARLY**, the Retail Merchants Association of Montana asks for permission to send out to all its members "Why Worry? I'm Insured." "It is a wonderful presentation of a condition in the fire insurance world which is commanding the attention of all thoughtful insurance men," writes Secretary Schnell, "and should be of equal interest to

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| Hadley C.K.   | 141 Mass    |
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| Hafner R.D.   | 117 Leslie  |
| CARD OUT      |             |
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| Hagmeir E.    | 132 Rohr    |
| Hahn H.F.     | 31 Woodlawn |
| Haines M.I.   | 112 Oak     |
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We are asked "How can you do it?" We answer that by increased production, greater standardization and intensified working methods and constantly improved machinery we are saving our customers sixty per cent of the advance made in most other commodities.

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every holder of a fire insurance policy. This message sent home to every Montana merchant would assist in the educational program necessary to secure the cooperation of the public."

The Illinois Bankers Association writes for 2,000 reprints of "A City-Bred Moses for the Farmer," while the Electrical and Steel Sales Co., of Milwaukee, asks for 1,000 reprints of "Money to be Saved in Waste Paper."

**ALL** IN all, more than 100 requests have come from readers for reprints in various quantities for further distribution. The significant thing about this to us is that, if our readers believe there is a bigger and wider audience for THE NATION'S BUSINESS, our goal of one-quarter million readers in 1925 is not so chimerical after all.

"PUTTING Your Premium to Work," appearing in your April Number," writes Mr. Ray Moore, of the John Hancock Mutual Life Insurance Co.,

conveys to the public one important phase of life insurance value that has too long been overlooked and neglected. Facts of this nature, published by disinterested parties, are extremely valuable from an economic standpoint, and are certain to bring about constructive results, far in excess of a dollars-and-cents value. I wish you every success in your worthy work.

**MR. J. D. RANKIN**, of the Goodyear Rubber Company, Akron, sending in his check for renewal, says:

I enjoy THE NATION'S BUSINESS a great deal, but can't say that I agree with all its articles. It gives me a broader viewpoint, but if I could string words together in an interesting style I would be tempted to come back at the writers of your paper in a few cases I have in mind.

Don't you hesitate, Mr. Rankin, to take your trusty typewriter in your lap—the machine, not the maid—and write us whenever you have anything on your mind. Some of the best things that have appeared in this magazine have come from ideas and contributions direct from the active desks of business readers.

**THE PASTOR** of the Metropolitan Methodist Episcopal Church of Detroit, the Reverend M. S. Rice, accompanies his check for \$7.50 with this comment:

I have seen notices of this very much-to-be desired publication, THE NATION'S BUSINESS, and shall be pleased to be able to read it. There is to me at present no more fascinating story in all the world's movements than that of its large business enterprises.

We welcome this new field for THE NATION'S BUSINESS. Already we have had some gratifying examples of the use of NATION'S BUSINESS' material in the pulpit. A minister in Bridgeport, Conn., whose name we do not now recall, wrote us that he found abundant illustrations from this magazine to use in applying the gospel to present-day needs.

**WE CAN'T** say enough in appreciation of the fine cooperation we are receiving from our readers everywhere. It was only by this help that we were able to reach our goal



of 100,000 readers two months earlier than schedule. Now that we are moving forward to an audience of 150,000 such help will be all the more appreciated.

As we write this, a letter comes to our desk from the Imperial Tobacco Co., Limited, of Great Britain and Ireland:

Will you kindly forward us twenty copies of THE NATION'S BUSINESS, with bill for same. We wish to distribute them among our various branch managers, as, if they are not already readers of this very interesting publication, we feel that a copy would serve to introduce to them its merits.

The recipient of such a favor very often acknowledges it in enthusiastic terms. Here is a letter from the secretary of the Winnipeg Grain Exchange:

The manager of the Canada Atlantic Grain Co., Limited, who is a subscriber to THE NATION'S BUSINESS, has given me a copy of your April issue. Yours is a splendid magazine, and I have read many of the articles with a great deal of interest.

I quote these last two for a double purpose: first, to show the fine spirit that prevails among our readers; and, second, to point out that our influence is extending beyond the borders of our own country.

"YOU might have added a little more to that paragraph, 'Words with the Bark On,'" writes a manufacturer of steel lockers.

You might have asked this question. Did you ever purchase a railroad ticket in a large city from a genial, good-natured, smiling ticket clerk? Did you ever have your change handed back to you politely? Did you ever get a pleasant word from a railroad employe at a large passenger station, except from the "red-cap" who smiles and talks according to the size of the fee he is going to get? I suppose you never have seen a gate-man in a large railway station lock all the gates close to the platform on which you alight from a train, and make you walk 300 feet to the other end of the yard and back again, before you get into the station. These things make me wonder.

Respectfully referred to the W. H. Hays of the railroad industry.

ALL IN all, our mail is the most interesting part of the day's work. The postman has a surprise for us most every trip. Here's a recent one. It comes from Frank Jarrell of the Santa Fe, who writes:

I note your concern that you are printing too much transportation matter. Don't worry on that score. The other day at the club I sat down beside a guest at the big table. Feeling for an easy conversational opening I chose transportation as something in which every man has an interest.

"What do you think the next Congress will do to the railroads?" I asked.

"I haven't much of an opinion," he replied; "transportation is out of my line, as you will understand when I inform you that I am a student of earthquakes."

"A student of earthquakes? Well, well," I reflected aloud. "Well, well, and did you ever hear of the little girl who was asked to tell the location of the ancient city of Herculaneum and she replied that it was near Naples but was destroyed by a flow of saliva from the Vatican?"

"Ah, but my dear sir," he answered, "that is a volcanological, not a seismological story."

M.T.

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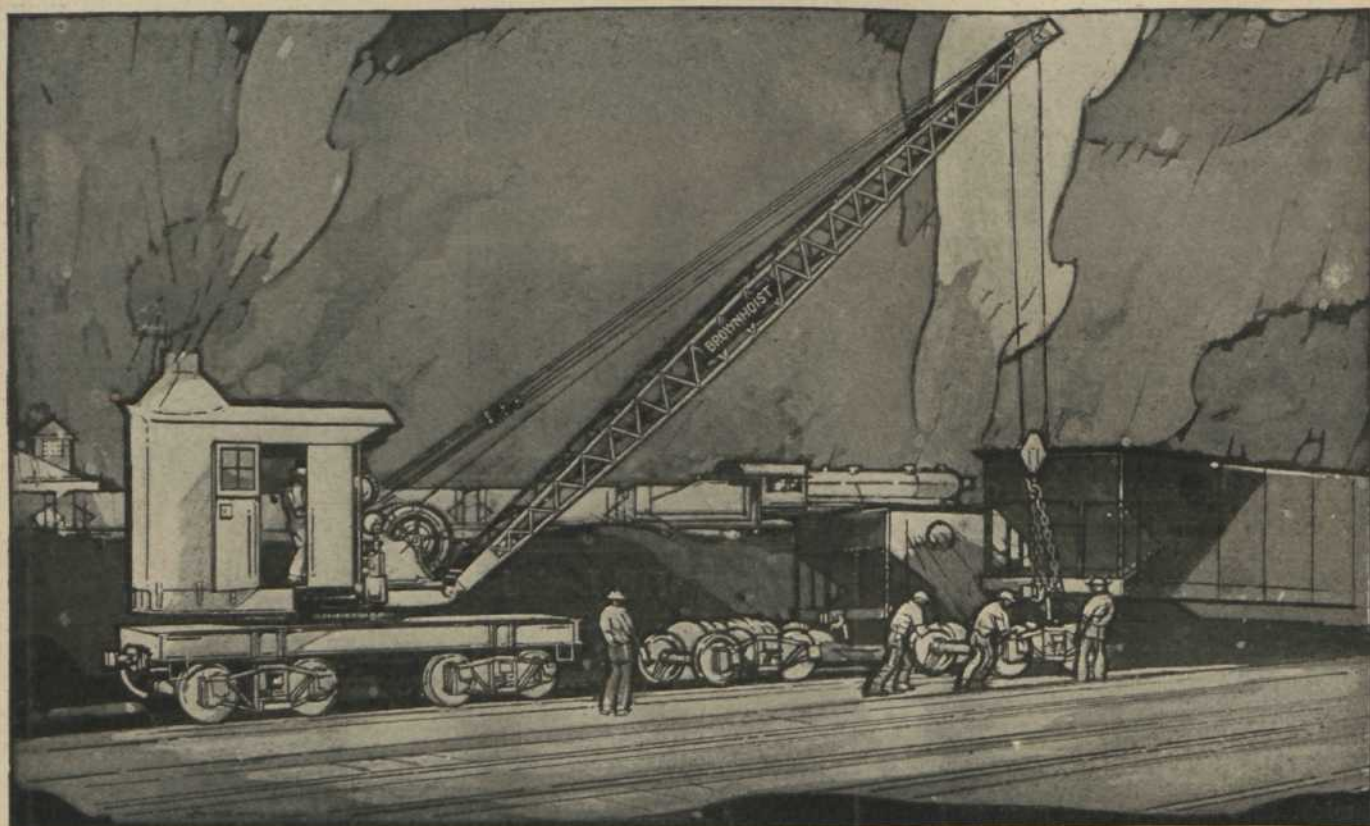
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# The NATION'S BUSINESS

VOLUME 11, NUMBER 8

JULY, 1923

A Magazine for Business Men



## Good Crops Will Mean Good Business

By ARCHER WALL DOUGLAS

THE WHIRLIGIG of time brought us this spring one of those wet seasons that are beyond the memory of the oldest inhabitant, and yet, as a matter of record, are our portion every six or seven years. The constantly dripping skies naturally bred a passing gloom and pessimism that was out of all proportion to the actual damage done, and that will vanish with the first week of bright sunshine. Few things are more discouraging than the destruction wrought by floods and apparently unceasing rainfall, and there are few things more quickly forgotten.

The substantial and enduring benefit is a soil everywhere thoroughly soaked—save in portions of west and north Texas, and central Montana. So the growing crops have an enormous reservoir of stored-up moisture to carry them through the burning days of July. In the past this has always been the harbinger of abundant yields. It is true that the cold, wet spring frustrated the desires and designs of the farmers for larger acreages than last year in some commodities, corn, cotton and spring wheat especially.

But probably this is just as well. For what is most needed this year is a harvest yield so related to the supply as to make sure of remunerative prices to the farmer. And this is about what is promised under what have proved to be unusually favorable conditions for crop growth, with soil conditions tending to make increased production per acre fully recompense for reduction in acreage.

At this writing there is less growing wheat, both winter and spring, than at this time twelve months ago, less corn in the southern states, but a little more in the grain belt, and about the same on the whole.

There is more cotton planted by a large percentage than last year, but a goodly amount of this increase will not survive the unfavorable spring. Just how much will not be known with any degree of definiteness until about the first of July. Between the late start of cotton, and the number of boll-weevil already on the job in south Texas and along the southern limits of the cotton belt in the Gulf and South Atlantic States, it

ALL over the country business men are looking ahead and asking what the last half of 1923 will bring forth. Will present prosperity last? Have we gone too far? Need we expect a set-back? Questions like these are in many minds. We have asked Archer Wall Douglas, whose articles on business conditions have long been a feature of THE NATION'S BUSINESS, to tell us the answer as he sees it.

His article is based on letters from and interviews with hundreds of men—salesmen, retailers and farmers, who bring to him reports from every corner. There is no note of alarm in his answer; there is a note of caution. We are, as he points out, "still on the road to readjustment," and we can only make progress slowly. The final answer for the year will come with fuller knowledge of crop conditions, yet for those the outlook is on the whole favorable.

We have supplemented Mr. Douglas's article with Frank Greene's monthly review of industry. He, too, stresses the improving crop situation and notes the soberer tone in all lines in May and early June.

Accompanying these reports we publish the current map of the nation's business and with it the map of a year ago and of last month. We believe that on this and the following pages our readers will find the best and most accurate survey of the present situation of business and of the immediate outlook that can be presented to them.—The Editor.

is not a good game to sell cotton futures short. At least moderately high-priced cotton seems among the strong probabilities of the remainder of the year, with accompanying good times for the southern states.

A very potent factor in preventing a run-away market in cotton is found in the already evident determination of the consumer to buy most sparingly should finished material reflect unduly high prices of raw material.

Cotton is late, but where it had even moderate sunshine, as in Texas, it made rapid progress.

Winter wheat will not be quite so large a crop as last season owing to winter killing in a stretch of the Great Plains from north Texas to central Nebraska. Where it was hurt, it was plowed up, and a fine crop of kafir corn is growing in its stead. Spring wheat has from 10 to 15 per cent less acreage than last year but has an abundance of moisture and is showing steady improvement.

Truck gardening in the South was handicapped by the late season, but in northern latitudes it will reap much benefit from the abundance of moisture with succeeding bright days. Crop conditions are somewhat spotted, as they always are at this season, but there are no serious crop failures in sight anywhere, nor extended damage in any locality.

The general outlook is for sufficiency in all farm commodities without either prospective shortage or superabundance. Pastures and grazing ranges are knee-deep in grass, and live stock are in fine shape in all sections.

Prices of cattle are not satisfactory to farmers and feeders, and lower prices of hogs make it expedient to sell corn as feed rather than on the foot. Losses of spring pigs were heavy because of the cold, wet weather, but the number of hogs coming to market seems undiminished.

Damage to fruit by late frosts is neither so extensive nor severe as first reported, though some localities were badly hit, especially in peaches. In general there will be plenty of fruit this season and with probably higher prices than attended the bumper yields of last year.

There is a slowing up in industrial activity such as always attends the coming of summer. The great productive powers of the country have overtaken consumption and are reducing their pace until harvest yields become more possible of estimate. This is likewise true of mining, and prices of copper, lead and zinc have been reduced in consequence.

Cotton mills and some makers of leather goods have cut production because of seasonal falling off in current orders. There is a wholesome fear everywhere that the consumer will not stand for high prices that are without due warrant. So the fear of inflation and of too premature prosperity came to a sudden end.

The common sense of the many had truer perception of the realities of the situation and was of more avail than the interpreters of graphs and cycles. The lumber situation is illustrative in that it took cognizance of the general feeling that prices of building material were unduly high, and so prices went off somewhat despite a heavy cut of lumber and a large volume of shipments.

Yet withal, building and construction have such impetus as will carry them through the year despite the increasing costs which attend their activities. Commitments already made have to be completed, but some that are contemplated are being postponed until prices of labor and building materials decline.

There will be more building in the large cities than in the country towns, for the farming population, as a rule, has but little money



to spend on construction. Few dwellers in the great centers realize how scarce ready cash is with most farmers, even though they are well-to-do. Such surplus funds as may be their portion generally find investment in more land and live stock, or in farm material or equipment. New barns are apt to come before new dwellings and silos before additions to housings.

Then, too, there is not the same need, sometimes fancied, sometimes real, for more housings for human beings in the country as in the city. For it is a still continuing fact that the farm is losing to the city in its proportion of the population of the nation. Nor has the countryside any occasion to erect vast movie palaces, business buildings, headquarters for social and economic clubs, theatres and lodges, gigantic monuments to outdoor sports, and all those modern forms of construction that we class under the heading of needed housings.

Save in those comparatively few sections where industrial life in some form is all in all, there is general consensus of belief that the future depends largely upon the outcome of the crops and the prices that the farmer gets for them in proportion to what he pays

for other commodities. And that will be the story until the first of August.

Buying is mostly for immediate wants, and yet there goes along, paradoxically enough, a larger measure of commitments for future needs that have to be anticipated, than seems possible under the circumstances. It is the best evidence that can be had of the general fundamental confidence in the immediate future.

As always, sentiment as to both the present and future is colored and influenced by environment and local conditions. In those comparatively few sections where crops were poor or unremunerative, or both, the communities wait expectantly upon the results of the harvest with more or less concern and uneasiness.

Elsewhere, and in general, sentiment is soberly hopeful that we are still on the road to readjustment and will make steady progress if we remember to "make haste slowly" and do not lose our heads with vain delusions that we have already arrived at the end of our long journey.

For the time being there is as much thought given to national as to local problems, seeing that the two are so inextricably entangled

and enmeshed. This thought is evident in the comprehensive and intelligent manner in which the planting of the crops has been done in relation to prospective supply and demand. There now promises to be an abundance of everything for our own wants, with the stress for large acreage laid upon those commodities which showed profit to the farmer last season, such as cotton, sugar beets, corn; and a lesser seeding of things that brought mostly trouble and no profit, such as Irish potatoes, and certain early fruits and vegetables. There will also be fewer cattle in the country, but more hogs and lambs.

Equally are manufacturers and mine operators halting production, falling prices tell the story of decreasing demand.

The real barometer of the situation will be the weather for the next sixty days. Warmth and sunshine are necessary concomitants, but equally is it imperative that moderate rains do not entirely stop too soon in June but project themselves into early July to make sure of the present promise of sufficient yields in cotton and corn. Given this, we need not concern ourselves for the results of the rest of the year.

# Where the Nation's Business Stands Today

By **FRANK GREENE**

*Managing Editor, "Bradstreet's"*

**P**ERHAPS the most notable feature of the past month has been the irregularity manifested in weather, crops, trade and industry. The word "spotted," in fact, seems about best to describe the numerous variations and cross currents which showed themselves from time to time. Weather, traditionally fickle, ran the gamut of change from excessive rains at the south with frost and snow at the north (the latter in Ohio and Montana) early to dry, warm, even mid-summer temperatures late in the month. Crop reports, gloomiest of the gloomy early, quite noticeably improved later.

Retail trade, held back throughout most of the month by the weather, improved as June approached with beneficial effects on jobbing trade. Wholesale trade, quiet early, retained most of this character to the end of the period under review mainly because the season for its activity had passed. Industry saw a wide extreme of variations, record-breaking outputs being reported in pig iron, steel ingots and automobiles, whereas a check was given new building by excessive costs; and cotton mills first noted the abandonment of overtime and later reported curtailment at eastern mills while there was a seasonal quieting down, aided by strikes, of shoe manufacturing in New England.

Taken as a whole, the turnover was probably slightly larger than in April in retail trade and industry but unquestionably smaller in primary buying in large lines. All lines, however, seem to have made heavy gains over May a year ago.

Prices of commodities continued the sagging tendency noted in March and April, interspersed with rallies in cotton and grain which did not entirely hold. Securities markets exploited a continuation of the short swings

which succeeded the uprush in March, but averages of railway stocks did not quite reach the levels touched in the latter month just as March, except in industrials, failed quite to equal the high points recorded last September.

Money continued in ample supply except on a few occasions when large government financing caused some fleeting advances in call money rates. Bonds reflected the large offerings of money for investment, in a generally higher trend throughout, and there was complaint in some lines that offerings were not liberal enough to take care of all buyers. The railroads, which did excellently in April, with the highest percentages of net earnings recorded since the railway act was passed in 1920, reported new high records for spring loadings in cars reached late in May—October, 1920, and 1922 maximums being closely approached, despite light grain shipments.

## Business on an Even Keel

**E**XCHANGE markets showed ease and German marks made still lower quotations, the market value of its money being passed by crippled Austria, the first of the wards of the League of Nations to show signs of emerging from the morass of after-war inflation. Foreign trade moved irregularly, exports which have lagged in the recovery from the great deflation, being surpassed by imports, the result being excesses of imports, in March and April, unknown since the outbreak of the great war in August, 1914.

Above is what might be called a bird's-eye view of the big features presenting themselves

in the past month or six weeks, during which speculation and predictions have been rife as to just what was in prospect for the future with discussion active also as to what was the big moving force in bringing about the concededly more sober tone in all lines.

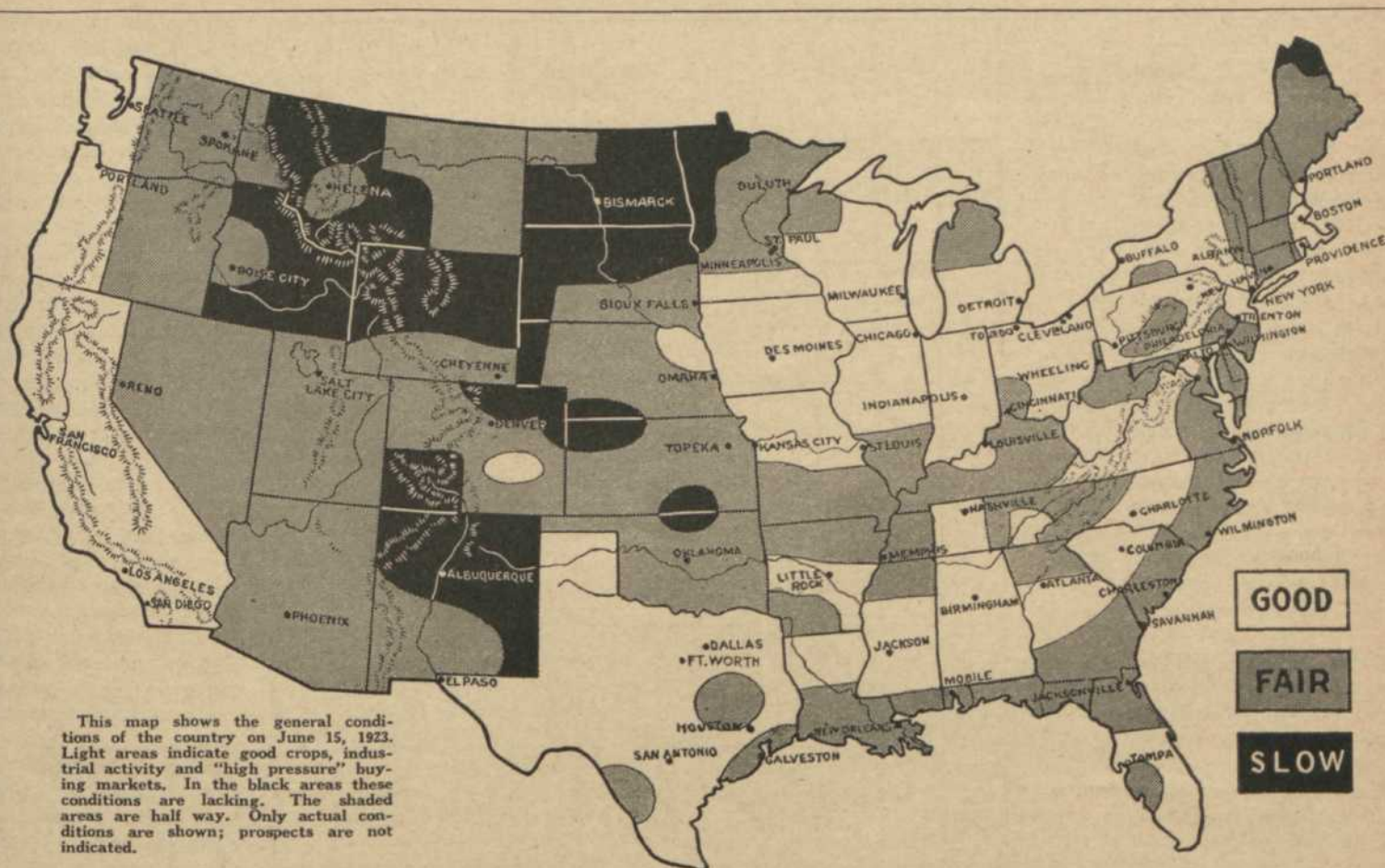
As put by one authority recently, the present is the first time in nearly a decade that business has been on an even keel, a situation for which he offered devout thanks.

As to just how this was brought about there is enough difference of opinion expressed to give at least an appearance of variety to the subject. High prices, seasonal quieting in new wholesale buying, bad weather, crop uncertainties, catching up with underproduction, the display of numerous cautionary signals in late March and the sharp liquidation in stocks and cotton which ushered in the spring decline in commodity prices that began that month are all assigned as causes, and all of these should come in for some of the credit for the slowing down now clearly visible.

There is general agreement only in that there was nothing in the money or credit situation since revealed to have evoked the cautious remarks of late March. That high prices, except in building, were a moving cause seems hardly tenable so far as their affecting the ultimate consumer is concerned. There was and there has been no buyers' strike such as occurred in March, 1920, because the bulk of the price advances will hardly face the ultimate consumer until autumn.

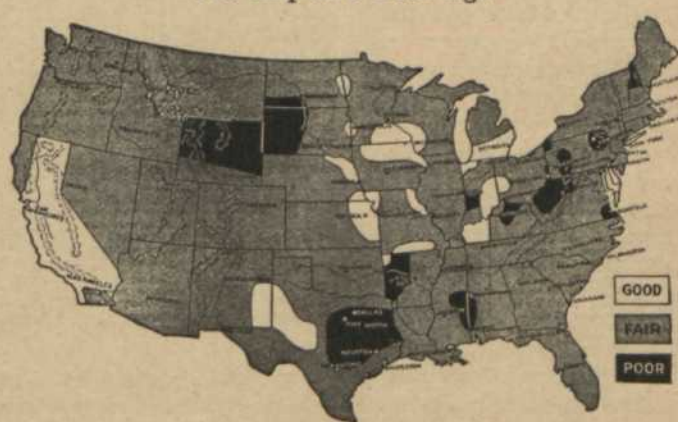
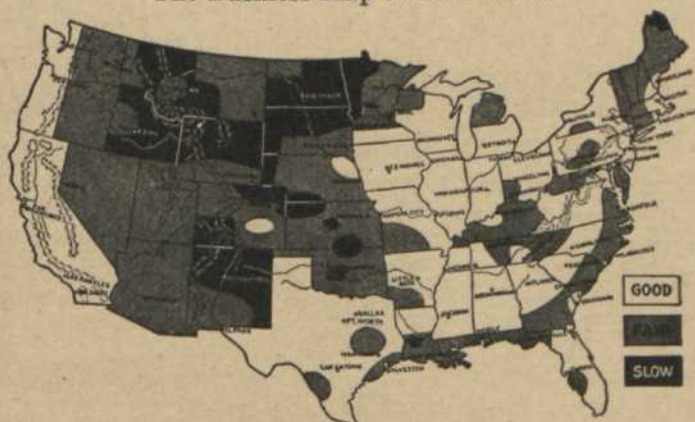
As regards building, there seems little doubt that the revolt first visible at New York in April spread with some modification of force to the rest of the country in May. The





The Business Map of Last Month

The Map of a Year Ago



weather must bear some share of the blame for the failure of an unquestionably immense public reserve buying power, accumulated through an unprecedentedly active winter, from finding full reflection this spring.

There is, however, little evidence in the 40 per cent gain for five months in mail order trade (country buying) and the 20 per cent gain in chain store purchasing (city buying) compared with last year to indicate that the weather was a very powerful deterrent to buying at retail.

Certainly the doubling of sales of automobiles and trucks by some of the large manufacturers as compared with last year has not indicated any desire to or indeed any need to skimp in expenditure.

Crop uncertainty talk as affecting buying may well be dismissed as inoperative thus early. The fact is that the reporting of trade and industrial conditions was probably better and freer than ever before—perhaps the radio

helped—and the American people may have been more willing to take advice, which anyone who remembers the numerous outgivings of late March will not be disposed to deny was freely offered.

Not all took the advice—some in the building trades are not yet disposed to do so—but the situation as regards future building, at least, is apparently curing itself, the while that accumulated building is offering unprecedented opportunity for workers. The situation, in fact, as noted above, seems on an even keel, trade is fair to good, there is ample employment for all willing and able to work in industry or on the farm, and the immediate future does not seem to hold quite all the uncertainties it did three months ago.

The three great industries of iron and steel and auto production and building showed some marked contrasts in May. New buying of iron and steel was quieter in May than in April, but May production of pig iron, 3,867,-

694 tons, dwarfed the record output of April by 318,000 tons or 9 per cent, and iron output on June 1 was at the rate of 45,750,000 tons yearly, 16 per cent larger than the output of the biggest year hitherto, 1916, when 39,434,000 tons were turned out. Pig iron and old material are \$2 lower on the month.

May automobile and truck output totaled 404,992 as against the high April record of 382,000. One large automobile concern reports sales in five months of 1923 of 326,671 cars and trucks, over double that of the same period last year.

In building, what might be termed new buying, that is, the value of building permitted for, at 131 cities totaled only \$238,300,000 for May against \$314,000,000 in March. There is here shown a decrease from March to May of 24.2 per cent, and the gain at those cities over May a year ago is only 8.3 per cent.

At New York City \$30,000,000 of school



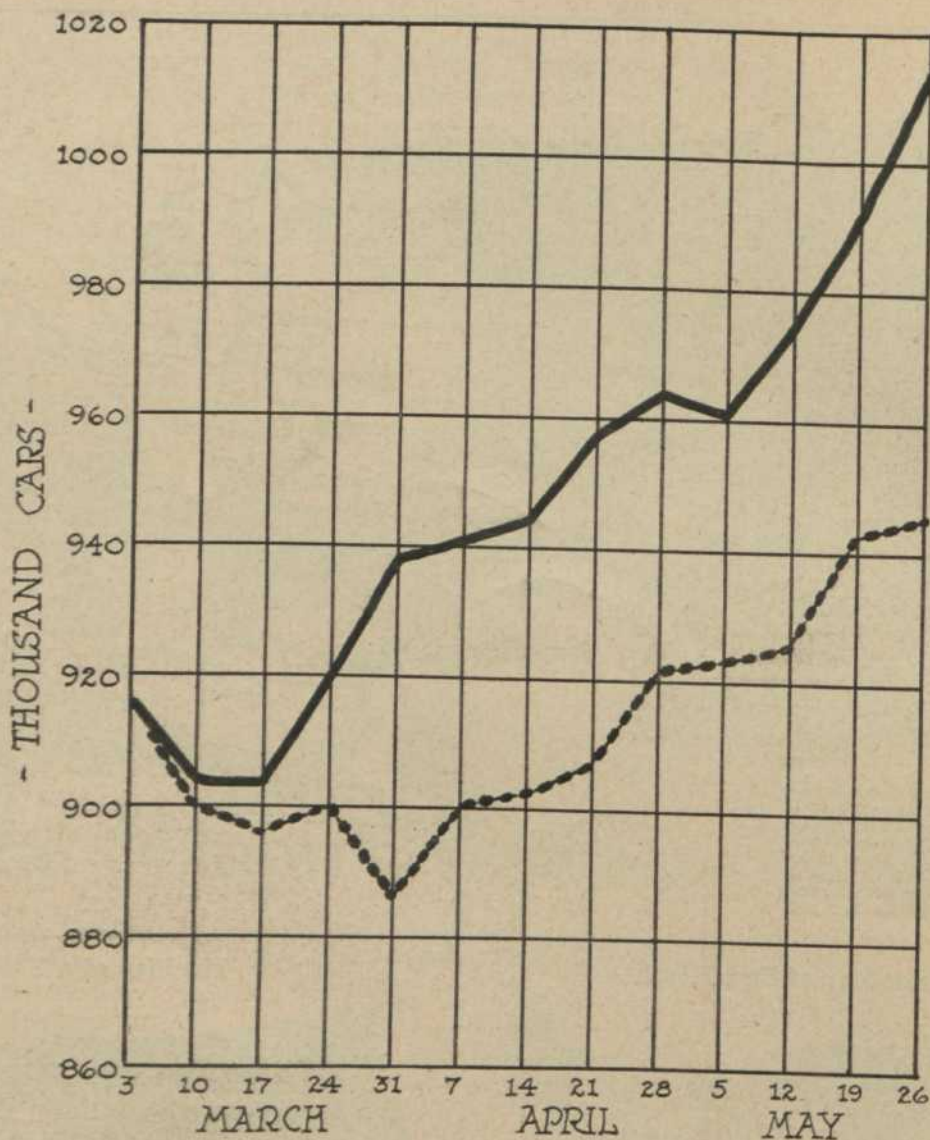
buildings alone are held up by the bricklayers' strike while the union is trying to get the city and the contractors each to assume \$1 a day of the advance demanded in the so-called scale from \$10 to \$12 per day. Lumber trade authorities agree that new buying fell off in May, this finding reflection in less active demand in Oregon, Washington and leading southern markets. Prices have eased in keeping with this lessened buying.

Of three important measures of movement in May now available, bank clearings show gains over April of 5.4 per cent and over May a year ago of 7.7 per cent, while five months' bank clearings show 12.8 per cent gain over the like period of 1922 and are only 8 per cent behind the first five months of the record year 1920.

Price Index Numbers testify to the wearing effects of the recent quieting down, on quotations for leading commodities, in a decline of 2 per cent in wholesale prices in May, this following a similar decrease of 2 per cent in April and of one-fifth of 1 per cent in March. The June 1 number is now about on a par with that of November 1, 1922, but is 12.4 per cent above June 1 last year and 26 per cent above June 1, 1921, when the great deflation in prices came to an end. It is still 35.8 per cent below the high peak of February, 1920, but 37.5 per cent above the August 1, 1914, level.

May failures were notable for the fact that they were practically no greater in number than in September last year—they were fewer than in any subsequent month—were 10 per cent fewer than in April and 11 per cent less than in May last year. They were, however, three and one-half times the number in May, 1919. For five months of this year they are 21 per cent or one-fifth fewer than a year ago. Liabilities in May were the lightest since August, 1920, and for five months of the calendar year are one-third below the same period last year. The northwestern group alone shows more failures than a year ago in May, while the southern group still leads the country in number of casualties.

Crops looked better at the end of May than they did at the end of April, and all reports indicate that no ground has been lost since the latest Government reports were issued on June 1. The forecast for winter



In May of this year, on page 56, we published a chart prepared by the Car Service Division of the American Railroad Association, showing movements of revenue freight for the past five years and the estimate for 1923. That estimate covered the period from early March to the end of this year. It is now possible to check the prophecy by the performance for March, April and May.

On the chart above, the heavy line shows the number of cars of revenue freight loaded, including the week ending May 26. The dotted line shows the estimate of the railroad association. The prediction was for a peak loading of 1,090,000 cars about October 20. The million car line was passed late in May, though the estimated performance for that date was less than 950,000 cars.

wheat on June 1 was 2,000,000 bushels better than a month earlier, and the apparent decrease from a year ago is only 5,000,000 bushels. Spring wheat was expected to decrease heavily in area but instead of the 12 per cent expected only about 5 per cent loss was

shown. As the condition June 1 was high, slightly above 90, and little different from a year ago, the entire falling off from a year ago in the crop indicated at 44,000,000 bushels seems due to reduced acreage.

The total indicated crop of wheat, 817,000,000 bushels, is only 39,000,000 bushels less than the actual harvest last year. As Canada expects to have at least 300,000,000 bushels, or 64,000,000 more than we will raise of spring wheat, and India has 400,000,000 bushels, a record yield, and crops in Europe and northern Africa promise well, the slight reduction from last year's yield indicated in this country, will not be missed. Indeed, comparing European prospects now and a year ago, it would not really matter if our yield was smaller so far as getting an adequate foreign market is concerned.

Oats with a probable yield of 1,256,000,000 bushels, promises 40,000,000 bushels more than a year ago, but there will be 20,000,000 bushels less of rye, and 14,000,000 tons less of hay, which in view of the vastly increased number of automobiles, would seem to be sufficient to take care of our remaining "hay burners."

With nothing as yet definite on cotton area, the condition for June 1 of 71.3 as against 69.6 is not very illuminative except perhaps to show that May reports which were very depressing, evidently took their full share of color from the weather.

## The Mennen Case Stays Settled

THE MENNEN CASE was described in THE NATION'S BUSINESS for May, at page 58. The Federal Trade Commission had said that it was unfair competition for a manufacturer, who acts entirely by himself and according to his own notion regarding the fitness of things, to sell his product at a less price to wholesalers than the price he charged in making sales of the same quantity directly to retailers.

Not at all satisfied with such a theory regarding the conduct of a business, the manufacturer took the commission's decision into the Federal courts. In March the Federal Circuit Court of Appeals took a point of view exactly opposite to the conclusion of the com-

mission. It said the manufacturer was free, not only to decide to whom he should sell, but to determine the prices at which he would sell to each customer or to any class of customers.

That ended the matter, unless the Supreme Court, upon request of the commission, concluded that there was involved in the case such a new point of law that it was in the public interest for the Supreme Court to consider the correctness of the decision of the Circuit Court of Appeals. The commission made its request, but on June 11 the Supreme Court refused it.

This action by the Supreme Court leaves the declaration of the Circuit of Appeals as the final word in the case.



# The High Cost of Convenience

By A. LINCOLN FILENE

**G**UNNING for that elusive group of malefactors supposed to be responsible for the high cost of living has within the last decade become one of the most popular indoor sports in America. It is a pastime indulged in biennially. The season opens around Easter time preceding each congressional election and continues until the first Tuesday after the first Monday in November. Those most proficient in the game are politicians and newspaper editors.

In "off years"—to use a political term—there has seemed to be a decided lull in the exciting clamor to fix the responsibility for the soaring prices of food, shelter and proper raiment. But with the opening of a new season, this popular diversion becomes as engrossing as a man-hunt by a Texas posse. The poor middleman is pictured by the newspaper cartoonists as a modern-day counterpart of Captain Kidd, while the little corner groceryman is held up to the scorn of his neighbors as a lineal descendant of Jesse James.

When conditions had reached that stage two years ago where the retailer, whose alibi had for months been received by his customers with a sarcastic smile, was on the verge of nervous prostration, some relief was afforded by economists who came along and upset the political apple-cart by injecting into the controversy a discussion of what they termed "the spread between the producer and the consumer," which since has been labeled by Representative Sydney Anderson, of Minnesota, who discussed the subject in such an able and unbiased way in the first article of this series, as "The Problem of Distribution."

Under the leadership of Representative Anderson, as chairman of a Joint Congressional Committee, whose exhaustive report to Congress has been by far the most valuable contribution to this great economic question, honest efforts are being made by business men, all the way down the line from the producer of the raw material to the retailer of the finished product, to find and to eliminate every unnecessary cost in our present-day system of distribution.

## Experts at Work

**E**VEN before Mr. Anderson was delegated by Congress to diagnose the case, the Chamber of Commerce of the United States had created a Committee on Domestic Distribution and brought together a staff of experts to make an exhaustive study of the problem. Trade associations throughout the country, the memberships of which are composed of manufacturers, warehousemen, wholesalers and retailers, have rendered wholehearted cooperation in an endeavor to find a solution for the problem.

It is my personal opinion, based on a life-

**W**ITH THIS, the seventh article, our series on Distribution, as announced late last year, comes to an end; but our discussion of Distribution will by no means cease with this article. As Mr. Filene points out, the first step to lessen the cost of distribution is to find out what makes distribution cost, and this we have sought to do. Following the introductory article by Representative Anderson, we have gone step by step into the more important factors that add to cost as well as convenience from the time the finished article leaves its maker's hand until it reaches that ultimate consumer, who must as well be the ultimate decider of how much he will pay for distribution.—The Editor.

time in the mercantile business, and I believe that the same view is shared by the Chamber of Commerce of the United States, that the responsibility of the distributors is to educate the public as to the functions of individual businesses so that the consumer can intelligently see the various elements that enter into the fixing of the prices of articles that they purchase from the retailers.

## Progress Through Education

**B**Y doing this the public will become familiar with the "spread" which is now merely a nebulous thing in their mind. The solution of this problem is through a campaign of education extending over a period of years, during which time the public is to be given what they demand and at the same time gradually to eliminate as many as possible of the conveniences which naturally are paid for by the consumer. The great function of the distributive groups now is to help in the work of education; in other words, to take the public actually into their confidence.

Society creates the demand for conveniences and this will have to be tolerated until the public is educated to the fact that it is this kind of service which they are paying for. The consumer today is approaching the matter of supplying their wants from an emotional, rather than from an economic basis. This is all wrong, of course, if we are to do away with the high cost of convenience.

Success of the movement to reduce the "spread" between the farm, the mine and the forest through the various processes until the article reaches the consumer in the form of a finished product must necessarily depend to a very large extent on the degree of cooperation given by the consumer and by that vast army of men and women who are employed by the producer, the manufacturer, the railroad and steamship lines and the wholesale and retail houses, all of whom are, of course, separate entities in that larger group generally classified as the ultimate consumer.

From the men and women who patronize the retailer there must come a real and genuine demand to get along without the conveniences that they are today demanding, and

from the second group, employees who compose the great distributive forces of the nation, there must be greater efficiency in speeding the raw material along through the various channels and delivering the finished product to the American household.

Let us start with the housewife, who very properly can be charged with the extravagances or credited with the economies in the home, in an effort to find ways and means of effecting a substantial lowering of her monthly budget for clothing for herself and her children and wholesome and nourishing food for the family.

What unnecessary demands is she making on the distributive forces of the nation for the sake of her own personal convenience? Does Mrs. Better Half now maintain one or more charge accounts, or does she pay cash for all of her purchases? Does she ask the merchant or groceryman to deliver her packages or does she carry them home herself? Does she give her daily order to the butcher and the vegetable dealer over the telephone, or does she visit the stores in person and make her own selections? Does she often find that after making purchases she is dissatisfied and then exercises the privilege of exchanging her first selections for other merchandise, thus adding a considerable item to the overhead expenses of the merchant?

How many of the conveniences I have just enumerated is the housewife willing to forego to enable the merchant, the milliner, the groceryman, the butcher and the vegetable man to reduce their operating expenses and at the same time lower the retail prices? The American housewife must not overlook the fact that she is paying for every one of these conveniences.

## How Much Will She Give Up?

**I**F, FOR the sake of bringing Old Man High Cost of Living back down to solid earth where he was when grandmother was a girl, she is willing to cooperate with the retail dealers, there is no question in the world but that she will succeed in her laudable undertaking of reducing her household expenses, thus providing more money for educating the children or paying for the home.

It has been my observation, based on many years of contact with the consumer, that it is as a rule the customer, and not the dealer, who is responsible for the high cost of convenience. The merchant has learned that in dealing with a woman customer he must at all times bear in mind that she wants it *when* she wants it; *how* she wants it and *where* she wants it.

Her favorite store is usually located in the heart of the shopping district, which means high rent; she looks to the merchant to



anticipate her wants so that she may be supplied when the spirit moves her to want them. And if the spirit becomes balky, the merchant at the end of the season finds himself overstocked. Besides these wants, she adds to this service perhaps by having the purchases charged and delivered.

An answer to the question whether the customer wants to pay for conveniences may be

the present attitude of the public toward styles a great many more styles must be carried than would be absolutely necessary if the public would accept the fact that the man or woman needs a shoe for walking, for evening wear, house wear and sports' wear. We can simplify the style demand when the public is willing to satisfy itself with a few styles. The individual desire for things

demand and this will be more or less his obligation as a distributor.

Can those who are satisfied with the same style be made potential enough in society?

How will you stop imaginative creativeness which the world needs to enjoy life?

Many have raised the question as to whether there is a growing tendency toward big department stores, and, if so, what is to



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Here's the high cost of convenience. If the woman buyer, or for that matter, the man buyer, *will* have his goods sent home, he or she and no one else must pay. And if two men and one truck take home the lone

bundle, that higher cost is spread among those whose parcels go home in the well-laden truck on the right. It costs a store an average of from five to twenty-five cents to deliver a package, according to the location of the store.

found when the patrons of the retail stores themselves show how much of their purchasing they are willing to do near the source of production. If buying this way grows, you have the possible solution of the problem which is being discussed now, such as, "Are there too many stores?" which, of course, is a part of the cost that service, or convenience, adds to the consumer and a thing which the consumer really wants and demands.

It long has been a recognized fact that there are too many styles produced for what people actually need, but if we go back we find that very early in its history the human race parted from the idea of clothing as something to cover the body or house furnishings as something to protect from the elements.

With the development of the world there was created another conception. The desire of individuality is the principal cause for the numerous styles of today. On the basis of

different exists in all classes of society.

Compare the number of styles in men's apparel in the past ten or fifteen years and you will find the same tendency in the development of their styles as in women's styles. It is a desire of human nature and who will prevent any manufacturer from creating new styles? Different designs produce different clienteles. When you produce in the public's mind the conviction that they are more willing to wear the same kind of thing that the other person wears, it will then be the duty of every distributor to ask himself what proportion of his community really wants a very simple, workable and desirable style which it is willing to wear year in and year out.

If he can create enough demand of that sort by finding that there is a real clientele in his community (because there is a small percentage of persons who want to wear the same design and style of clothes permanently), he can put enough stock in to answer the

be the future of the thousands of small retailers. If the gross profit is considered between the small store and the big store, the chances are that it would be shown that the big store sells its merchandise cheaper than the little store. But there is a way out for the small retailer by which he can conserve his own interests in the consumer and it is coming now.

Cooperative buying associations are being organized by smaller retailers in certain lines of business which buy merchandise in large quantities and then distribute it among themselves, thus making it possible for them to sell their goods at the same reduced price that the larger retailer does. The only expense involved is the maintenance of a central distributing warehouse.

The retailer, both the small and the large, is responsible in part for the economic cost of living. He will be retained by the consumer until some more efficient agent can



be devised to reduce still further the economic cost of things.

Consideration of the retailer's economic place in distribution must be based on two assumptions (1) that an economic necessity must be defined in terms of human desires, rather than in terms of absolute requirements for bare human existence; (2) that the economic functions of the retailer are those which some other factor in business or the consumer himself would be compelled to perform if the retailer did not exist.

I. The retailer performs four fundamental economic processes in making the necessary adjustments between demand and supply as to time, space, quantity and quality.

1. Merchandise is purchased in advance of the time it is needed for consumption.

If the retailer did not exist to carry finished merchandise on his shelves or in his stockrooms, it would require either storage by the producer with an addition to his cost, or storage by the consumer, tying up the consumer's capital. The consumer would be required to buy winter clothes in August, Christmas toys in June, or a year's supply of canned goods in the late summer. This expense is now absorbed in the expense of the manufacturer, wholesaler and retailer.

2. The space between the places where merchandise is produced and the places where it is wanted for consumption is bridged by the retailer. He assembles stock of merchandise from many scattered and distant places. Gloves from France, hosiery from a dozen different states, cotton goods from New Hampshire and North Carolina, silks from New Jersey and China, shoes from Brockton and St. Louis—all brought together under one roof for the selection of the customer.

If the retailer did not exist, each producer would have to send salesmen far and wide to take orders for his product, or the consumer would be compelled to order each item from different producers at a different place, or do his shopping or marketing through a mail order catalogue. The ability to enter a central market, select from a variety of goods, and secure instant delivery, would be gone, with added inconvenience to the consumer and added expense to the producer to sell and the consumer to buy.

3. Breaking down quantities is an essential function. Producers sell by the gross, or the case, or the carload.

If they sold by single units it would add to the cost of production; if they sold direct to the consumer in quantity, it would not only be a great inconvenience, but a great expense to the consumer. The consumer would be re-

quired to buy a dozen spools of white cotton thread or perhaps a gross at a time; or stockings by the dozen; or dress goods by the bolt; or nails by the keg.

4. The quality of merchandise is not uniform. Raw material is produced in many different grades; many manufacturers produce different grades of finished articles; needed grades must be selected for the consumer. The retailer makes it possible to select an article from three or four or perhaps fifty different qualities, at as many different prices.

If the retailer did not exist, the consumer would be required either to purchase a "run" of qualities, using those needed and discarding others, or to compare the qualities of merchandise produced by a number of different manufacturers to select the quality desired.

If the retailer makes these four necessary adjustments at a lower cost than would be possible without him—than would be possible if the producer sold direct to the consumer—then the process of retail distribution is an essential part of the economic machine.

### The Evolution of Retailing

IN THE course of carrying out these fundamental economic requirements, the retailer brings results that must be satisfactory to a large majority of the consumers, or the public would not longer delay in availing itself of the opportunity which is always open to buy direct from the producer or the manufacturer.

As the purchasing agent of the community, the retailer selects the merchandise to be brought into the community. He limits the flow of merchandise to the community to those things which he believes are needed and desired by his customers. In this manner, the retailer tends to establish and stabilize prices.

The methods of conducting retail business have been developed by the regular introduction of new types of distribution, with the unusual result that each new system of distribution has entered the field without

eliminating or changing in a fundamental aspect the systems already existing. In America, the country general store was the first distinctive development. These general stores still exist wherever the communities have not outgrown them, and continue to do a growing volume of business.

Then the department store was developed, as the "general store" of the city, and has undergone steady growth. The mail order house was the next new system of distribution. It has been most effective in rural districts.

Within the last few years, we have seen the birth of a new idea in distribution, the chain stores. The objective of the mail order house and the chain store is the same: to distribute merchandise of a more staple nature, by large scale operations, at a rate of expenses somewhat less than that of the independent store. This lower expense has been made possible by elimination of some services, or conveniences, rendered by the other stores, to a lesser extent by large scale and standardization of operations.

The chain store has grown, but the volume of business of independent competing stores has also grown. The effect of the chain store in the city has been the same as that of the mail order house in the country. A few competing stores have been forced out, to be replaced by more efficient successors. The operations of independent stores have in some cases been changed to meet the newer competition, by cooperation among independents in buying, by improvement in service, and by more efficient operation. Both chain store and independent retailer have grown larger and stronger in competition.

Measured in terms of human effort, the average individual has more things—more necessities, more comforts and more luxuries—and possesses them by working fewer hours, than he would have had twenty-five years ago or fifty years ago. A century ago

the average man worked from sunrise to sunset to secure the bare necessities of life. Today about half of the average man's labors—four or five hours a day—is required to produce his bare necessities, and the other half goes to produce his comforts and luxuries, and to enable him to put aside money for his old age.



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## Proposing a New Series on Distribution

NOTHING "The Nation's Business" has ever done has brought us so many letters of commendation, criticism and just plain statements of interest as our series on distribution.

We are moved by them to do two things, (1) to print in book form with additions to text and with more illustrations those articles we have already published, (2) to start to work at once on a new series which shall throw still further light on that outstanding problem

of business, the cost of getting goods from the maker to the user.

In our first series we undertook to point out the chief factors in the spread between the producer and the consumer, to explain the intricacy of modern methods of marketing. In our new series we hope to go a little deeper. We shall try to make our articles more specific in pointing out the causes of the high cost of distribution and in suggesting how these costs may be reduced.



# Berlin to Bagdad

## and

# The Chester Plan

By **FREDERICK SIMPICH**

Formerly U. S. Consul in Turkey



These desert depots, on the Bagdad Railway, were all loop-holed and used as block houses in the Big War.

**B**ERLIN-TO-BAGDAD! The Kaiser's *Drang nach Osten*. Not so long ago, what a phrase to conjure with in the chancelleries of Europe! And the sleek, smug diplomats of Downing Street, of the Wilhelmstrasse—even of Paris, Stamboul and Petersburg—how they prattled and pondered this portentous question! Long shelves are filled with books about this famous road. It helped start the World War.

In the smelly bazaars of Bagdad, away back in 1909, I met bearded engineers from Berlin, fat, red-necked men in pith helmets, blue goggles and soiled duck, the vanguard of this historic undertaking. From London to Bombay everybody talked about the Bagdad Railway. Even the Bedouin sheiks coming in on camels to trade wool and gum arabic for guns and sugar, would jabber about the "shummun duffer"—Arab jargon for *chemin de fer*. A Yank I knew came, buying licorice root for the American Tobacco Company; with him he brought the first motor-car seen in Mesopotamia. We started joy-riding out to Babylon with excited Arabs crowding about on horses and camels. "Allah!" they cried in their ignorance, "here is the railroad at last!" They raced with us. Foolishly, we let our car outrun them. They were waiting, dismounted, when we returned—to stone us for our folly.

The highway back to Eden is almost finished now. And it's easy to see why, even more than the Trans-Siberian or Cape-to-Cairo route, this Bagdad road should be of curious interest to the whole Christian world, for it leads from the edge of Europe right down into the heart of an ancient civilization that has changed but little since Christ was born. To this day, along its eastern stretches, people still live as in Bible times. They keep the covenants of bread

and salt, and kill sheep to seal their vows. In dress, habits and thoughts, the bazaar crowds of Mossul and Bagdad differ very little, even now, from the jeering bands that followed up Calvary to see the Crucifixion.

No wonder, then, that even away over here in America, we follow with keen interest all that happens along this road that runs over the ruins of Ninevah, and down where Adam and Eve used to live. Yet how befuddled we've sometimes been over all these *irades*, *firman*s and "kilometric guarantees," hatched by the Sultan to help the Kaiser tie Berlin to Bagdad and pave a war-path to India! German genius should restore the Tower of Babel, we were even told; tourists would be turned loose where Adam had to pull weeds after Eve spilled the beans, and irrigation would reclaim that long-forgotten land where once Belshazzar drank from golden vessels—and the Hand wrote on the wall. And from all this, when the railroad was done, fabulous wealth should pour back to Berlin.

Wealth poured. But in the wrong direction. At last a balance sheet of this famous enterprise is visible to outside eyes. It shows the Bagdad Road never really earned a piaster. Today, the German pocketbooks that financed it are flat as pancakes. Even had there been no war, it is doubtful if this railway—as a *railway*—could have earned a bonafide dividend. Allowing nothing for war losses, nor for equipment, fuel and building materials sent by the Germans to help the struggling Turks, the deficit even at the end of 1916 was *two and one-half times* the company's capital and reserves! It's a gold brick,



Thousands of British prisoners toiled and died on this lonely stretch—with camel tracks and jackals for company.

as a railroad. It cost over \$100,000,000. And \$75,000,000 of its bonds—guaranteed by the Turkish Government, now bankrupt, are still unpaid.

Yet the British have just bought it. "Oil!" you say, and wink. Maybe.

Now, just to make the riddle harder, we're told about the Chester Concession. Again Turkey hands out a charter, calling for 1,500 miles of railroads through a half-wild, thinly peopled region. Yankees have this last concession—Yankees and Canadians, styling themselves the Ottoman American Development Company. But more about them, soon.

To think straighter, let's stick first to the Bagdad Road. Why, if it's really such a white elephant, should England buy it? Why should both Paris and London diplomats and bankers have battled since 1919 to get control of its shares?

First, because the road carries with it the right to exploit a strip of land 40 kilometers wide, stretching clear across the Turkish Empire. Second, because France is Turkey's biggest creditor; and already England has spent millions in Mesopotamia. These and many other benefits, that have no direct dependence on freight and passenger receipts.

In all the annals of eastern intrigue, no fiction story of international finance is more fascinating than the plain bare facts of how the Germans got this famous concession.

You could first ride from Berlin down to Budapest and on to Constantinople—when one last railroad link was built—about 1888. Cecil Rhodes in this same year launched his then amazing scheme for the conquest of Matabeleland; soon after, that bold plan for the Cape-to-Cairo railway.

Its imperial imagination fired by this ambitious British move, Berlin began to look beyond Constant



Every Yankee oil scout and other desert trekker knows the familiar Turkish guide or Zaptieh—with his gun, pack-mule and water kegs.



nople; her engineers soon were prowling beyond the Taurus, through the ancient copper mines, around Lake Van even down to the bubbling bitumen wells near old Hit of the Hittites—where Noah calked his ark. Then the Deutsche Bank reached out its long arm (it's still long enough to reach big vaults in safe, neutral countries) and acquired a railway, the Haidar-Pascha-Ismid line. This was Germany's first move in her far-flung Bagdad plan.

To flatter the Sultan and smooth the path for German agents, the Kaiser himself came down to old Stamboul on his magnificent royal train. Appropriate gifts, or "beaucoup baksheesh," as Levantines say, passed from Kaiser to Sultan. . . . Then, as Ambassador to the Sublime Porte, came Baron Marschall von Bieberstein, the Kaiser's personal friend. . . . Always Berlin looked to the southeast, to Bagdad—India. Slowly, year by year, section after section, they pushed their railroad. And craftily, to minimize their own risks, they urged the Sultan to give them "kilometric guarantees."

"Abdul the Damned," American papers were calling the Sultan in those days of massacres. But on his second trip to Turkey, in a speech at Damascus, the Kaiser begged to "assure the Sultan and the three hundred million Moslems who venerated him that the German Emperor was ever their friend. . . ." And then, to the hypocritical vocabulary of diplomacy he added the word *Kultur*. Followed more largesse, and judicious priming of politicians. Back in Berlin, when the Turkish Ambassador called, the Kaiser's first command was:

"Na, nun machen Sie mir da unten meine Bahn fertig!" ("Now then, get my railroad down there finished for me!")

And fertig it soon was. The Imperial Ottoman Bagdad Railway, they called it.

### Crowding the Turk

RIGHT here is a useful lesson for Americans, who hunt Turkish concessions. You can't crowd a Turk. A close study of letters passing at the time proves that the Kaiser and his diplomats rushed the German bankers into a premature financing of this scheme. Had Wilhelmstrasse then given Siemens and Von Gwinner the additional time they begged for, these German bankers would undoubtedly have got far better terms from the Sultan. He was fired then by his Pan-Islam ambition to be called Commander of the Faithful and Successor of the Prophet. For his own religious and political ends, he wanted this road across his empire. But he plainly saw, too, how eager the Kaiser was for it. So he never even permitted the Kaiser even to suspect that Turkey wanted such a line built. . . . He intimated, however, that "the Sublime Porte would be graciously pleased to grant, on its own terms, a concession to the Germans to build the Bagdad Railway." Then, as so often, the pagan out-thought the Christian.

As dust in the green eyes of rivals, the Germans at once "internationalized" their railroad board. Of its twenty-seven directors, twelve were Germans; the rest were French, Turks, Swiss, Italians and Austrians. To

make the pill taste less nasty, the British too were offered a seat—which they declined. No figurehead jobs for them. They had other fish to fry, in Bagdad. The Germans might start this line from the Golden Horn, this warpath aimed at India. But England had not painted the Persian Gulf red for nothing!

If the British are lucky, they'll shake the Sultan down—in advance—as the Germans did, for a "kilometric guarantee." The red and gold ink was hardly dry on his flamboyant signature to their charter when they drew a modest \$9,000,000 on account—through a bond sale.

### Berlin, Bagdad—and Downing Street

YET, today, thanks to German toil and German ability to understand Turks, over four-fifths of the Bagdad Road, as first planned is in operation. On its mountain stretches, thirty-six tunnels are bored, one over 16,000 feet long. Twelve hundred miles of track are laid. Only a 297-mile stretch, between Nissibin in Northern Mesopotamia and Samarra, on the Tigris below Mossul—where we got the name "muslin"—remains unfinished.

It's the main artery of Turkey's whole railway system, this Bagdad line. All other roads are merely branches of it, or feeders to it, no matter who owns them. Nor are they of great economic, political or military importance, compared with this road.

It was at Koweit, on the Persian Gulf, that the Germans first planned to build their eastern terminus. From here German troops could have struck India. They could have—but for a wild yet wily sheik who ruled Koweit. The British saw him first. Now Koweit is a lean and empty spot, a hot and lonesome place that reeks of stagnant salt marshes and dead fish. Until the British saw this sheik, pickings for him had been meager. Wherefore the Germans could build only to a point on the Tigris—not to the Gulf. Then came the war.

Furiously the Germans worked, opening this road to pour troops down against the armies from India, and to haul grain, meat and work animals back to Stamboul to Berlin. Its depots were loop-holed, like block houses, and ancient forests of Lebanon, of the Amanus and Taurus ranges were stripped of trees for fuel. From ill-fated Kut, 15,000 British prisoners were driven up, to slave at laying rails over the scorching desert between Ras-al-Ain and Nissibin. Thousands perished.

After Maude got Bagdad, the British grabbed the German-built line that runs up the Tigris to Samarra. Also, they built a railroad from Bagdad, five hundred miles south, along the Tigris, past the ancient arch of Ctesiphon, past the Tomb of Ezra and on down to Basra, Persian Gulf port for sea trade with India. Until this Basra branch was built, a line of English-owned steamers, flat-bottomed side-wheelers patterned after our Mississippi boats, carried Bagdad's water trade. The only book on one of these boats I found in the cockney skipper's cabin. It was "Life on the Mississippi." "That's my bible," the skipper said; "I cuss the same kind of sandbars Mark Twain used to." He

was a pioneer, typical of that race which scatters its bones about the earth. The Turks shot him when he wouldn't talk.

Downing Street always feared this Bagdad Road. Undoubtedly the British would be happier had it never been started. Long ago an Englishman, a Colonel Chesney, surveyed a railroad to run from the Mediterranean to the Tigris. It would have followed the old Persian and East Indian caravan trail, up to the Beylan pass, on to Aleppo and down the Euphrates valley to the Gulf. But London wouldn't put up the money. Such a road, through a vast Moslem land of scattered tribes warring against each other, looked dangerous to their political hold on Moslem India and their trade plans there. That their fears were not groundless is proven now.

Oil goes with it, of course, and other benefits. But grave responsibilities, too. Maybe England, if she finishes this road and opens it to world trade, will abate an international nuisance and bring a blessing on civilization.

It does add to the gayety of nations, this news that Turkey has wiped off her scimiter, and passed out another railroad right. Under its amazing terms the Chester group is given a two-year option on 2,500 miles of right-of-way, including a line from the Black Sea to the Persian frontier. Also a license to work for oils and minerals on a strip of land 20 kilometers wide—running on each side the railroad line—or about 60,000 square miles! Within this area lies the historic Arghana mine, from which copper has been dug for over a thousand years. A German war-time survey shows ore deposits worth \$75,000,000, it is said.

This plan, if put through, not only means that Yankees will get practically the economic control of Turkey, but it also means a direct clash with French and English claims. Hark to the howls of horror already rising from patriotic Paris throats! Even the mild Jusserand, it is said, got nervous, and hied himself over to the State Department, when told that the Chester grant impinged on concessions already granted to his beloved France.

### France, and the Chester Grant

NOW France has long been Turkey's biggest creditor. In return the Turks, at one time or another, have granted many exploitation rights to Frenchmen. One such grant, made in 1914, gives the right to improve harbors and build railways, in northern Anatolia. Under another concession, the French began in 1914 to build a railroad from Sivas to Samsun. This very line, they now complain, has been turned over to Chester. Yet to get this charter, they claim, they made a big loan to Turkey, and actually advanced 250,000,000 francs. If true, you can see why they burst out crying and urge Jusserand to slap somebody here on the wrist.

If the Chester grant does encroach on French rights, here is probably why: France got these concessions from the Sultan. They were confirmed by the so-called Bouillon Treaty of 1921. Under it, France gave back to Turkey all of south Cilicia and part of north Syria. For this surrender, France was supposed to get first chance at any internal development work in Turkey. But Chester's



grant, on the other hand, came from the Kemal or Nationalist de facto Government at Angora.

"We're not bound," the Kemalists say, "by any previous acts of the has-been foreign office at Stamboul. . . . Why shouldn't we attract American capital? It wants only dividends—no colonies, no spheres of political influence, no mandates. . . . New Turkey must defend herself. . . . The Reparations Commission grabbed Germany's Bagdad Railway shares; and somehow, a British syndicate got control of the rest. Already they controlled Irak and Mossul oil. But railway control they must now share with the Americans." This, in substance, they argue; also that competition, even in Turkey, may speed things up a bit.

They're right. The Chester grant *does* bite into the British doughnut.

Britain is the mandatory power for Mesopotamia, or Irak, as its new Arab king, Feisal, calls it. Feisal he spells it, and Fizzle it should be pronounced. What from British bayonets, scout planes and political advisers, Mr. Fizzle's crown is wobbly and dented.

Up the Tigris, just across from ruined Nineveh, stands the town of Mosul. All about, and down the Tigris from Mosul, oil seepages ooze up. Down into this greasy region the Chester concession dips and points, to clash with British claims. It is understood that the British, too—albeit in that chatty ladylike style known to diplomacy as *informal, friendly and unofficial*—have ventured to intimate their astonishment to Uncle Sam, and to inquire casually, who is this Chester person and "how come?"

The British know very well there's no money in building railroads from the Black Sea to the Persian frontier, or through any other empty lands in the Middle East.

"But, my word! There's a pretty penny in oil, you know!"

Now, the Anglo-Persian Oil Company owns fields along the Karun River—in southwest Persia, not far from Bagdad. These fields, geologists guess, may stretch up into Mesopo-

tamia, even north to the Russian fields at Baku. The British knew this long ago; before the war they threw in with the Germans and organized the Turkish Petroleum Company. This is a perfectly good Turkish Company, except that it is free of Turks. Now, also it is purged of Germans. Today, the Dutch

say, any sporting American with money has an even chance with subjects of allied powers to lose his money in any mandated area—or make some more. Uncle Sam has also said his citizens should have an even break in Mesopotamia. They will get it, no doubt. But when they do, should the Chester group

also begin work there, a conflict between rival American interests will ensue.

From such foreign fights the Turk himself gets fat. His policy is to start these rows and get the rivals bidding against each other. In such a fray his soul delights, and his pagan mind throbs on all six. He hates work, but he's some mental marathoner, when it comes to thinking out schemes to make others do it. Clinging precariously on this strategic buffer strip between Europe and India, he has had to use his head—or lose it. So today, playing French against English, and Yanks against the field, he shows the same old skill his eastern ancestors did when they invented chess, algebra and playing cards. He himself couldn't finance a hand-car—much less a railway; but he is "graciously pleased to assent" when Americans, French or British come bidding.

It is so with this Chester concession, so vast in scope, so alluring to read about. It calls for railway nets from the Black Sea down to the Mediterranean; from Angora to the Persian line; it calls for canals, telephone systems, for factories, hotels and

banks—maybe even for a model city of marble wherein to house the new government of Turkey. It calls for piles of capital. And capital calls for an ear-trumpet, for Angora is far away. Fighting has gone on around there for eight hundred years. And fighting makes capital shy; when shooting gets too close and loud it makes capital deaf.

Yet hark again to the howls in Paris. Were the Chester concessions dropped tomorrow, the mere envy it has aroused would bring other bidders. Turkey knows they will come, as long as she has anything to trade on anything that smells like oil.



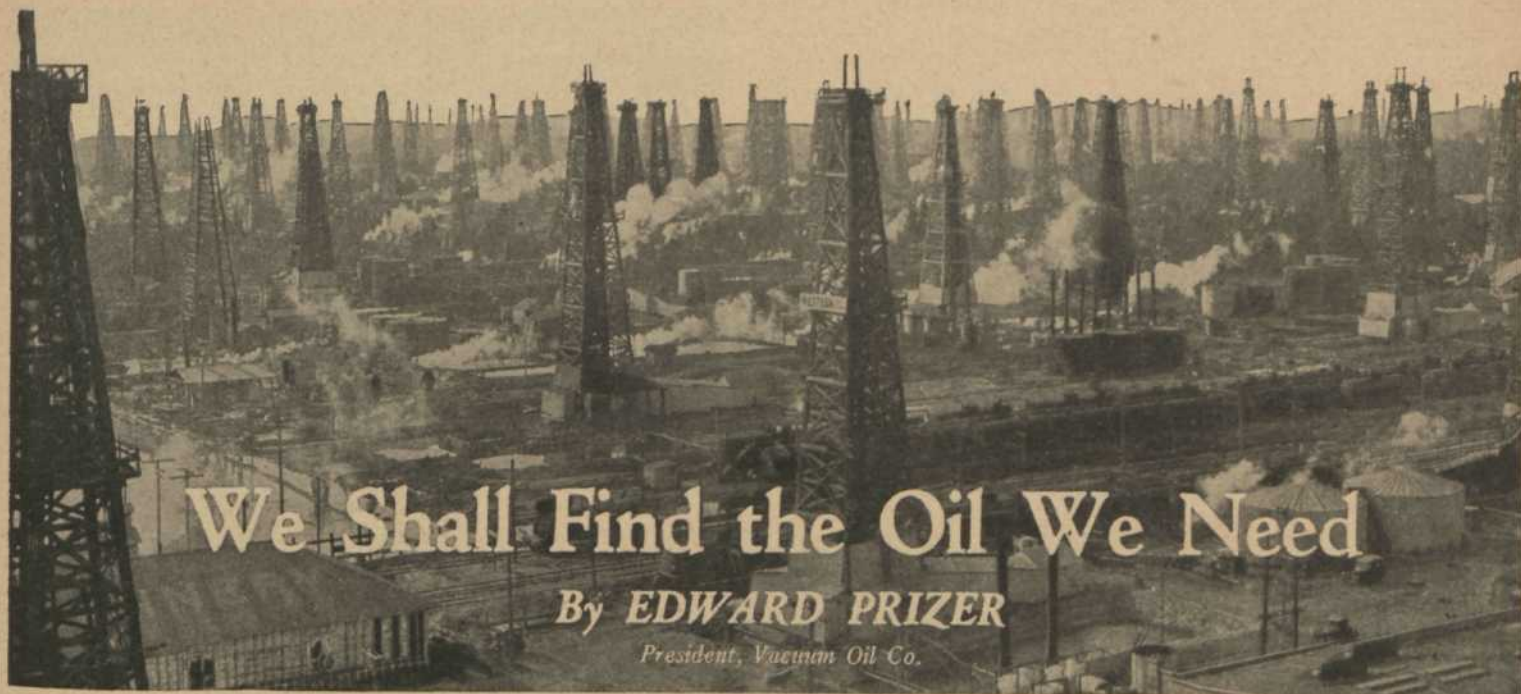
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In these smelly old Bagdad bazaars, many men still dress as in Bible times—and often Fords and surty camels dispute the right of way.

Shell owns 25 per cent of it, the French 25 per cent and the Anglo-Persian Company owns 50 per cent. But in this so-called Persian Company the British Government itself holds a half-interest. So, in plain words, John Bull himself owns a one-fourth interest in the Turkish Petroleum Company. And this concern seeks to bore for oil around Mossul. So do certain powerful Americans, who have nothing to do with the Chester concession.

The Standard Oil cohorts, in fact, are among those Yanks who protest that Americans should have a reasonable share in Mossul oil. Under the treaty of Versailles they





# We Shall Find the Oil We Need

By **EDWARD PRIZER**

*President, Vacuum Oil Co.*

**I**N THE United States petroleum began as a patent medicine, but the pangs of rheumatism remained unabated; today, in the space of a reasonable lifetime, petroleum has become a vital base of every human industry.

In 1859 the total crude oil produced in the United States did not exceed 2,000 barrels, but within ten years production had grown to a total of 4,000,000 barrels per annum. While this amount is substantially less than three days' production at the present time, it was more than could be readily utilized; and an era of wild speculation and inordinate waste resulted.

My connection with the company of which I have the honor to be president began in May, 1882, so that my recollection covers a period of forty-one years. These years have been notable for marvelous development. When I entered the oil business, applied electricity was at its beginnings; the internal-combustion engine had not yet been evolved; mechanical development was just at its turning point, with as yet faint promise of the great strides to come with astonishing rapidity one after the other.

In 1882 crude oil production was practically an exclusively American matter, and the territory was limited to what is now known as the Appalachian Field in the east, although some production had been developed in Ohio and California. The total crude oil produced that year amounted to 30,350,000 barrels. As the total consumption was only 59,660 barrels per day, there had accumulated above ground in storage at the end of that year 34,335,000 barrels, or more than enough for one and one-half years' need.

In 1922 crude oil production had spread to a wide area of our continental territory, and the output for the year reached the great total of 551,200,000 barrels, now augmented by an additional production of quite 200,000,000 barrels in foreign fields.

At the present time it is estimated there are stored in the United States about 265,500,000

barrels of crude oil; but as consumption has risen to 1,800,000 per day, the storage oil covers less than five months' requirements.

In 1882 there were sent from the United States to foreign countries 10,070,000 50-gallon barrels of petroleum products with a total value of \$44,623,000, while in 1922 the exports amounted to 58,453,000 barrels with a total value of \$330,900,000. Had not Europe been impoverished by the war, her purchases of petroleum and other commodities would have been much larger. It is only a matter of time when foreign consumption of petroleum will increase at a vastly greater ratio.

The best information I can secure shows that in 1882 the entire capital employed in the petroleum industry in this country amounted to \$114,000,000. It is estimated that at the close of 1922 the investment in the industry had reached \$8,000,000,000. If this increase had been distributed evenly during the forty years, it would have meant an average increase of investment of \$197,150,000 per year, thus requiring each year \$83,000,000 more capital put back into the industry than the total amount invested at the end of twenty-three years of operation.

## The Sudden Need for Capital

**H**OWEVER, this demand for new capital has not been gradual, but has arisen suddenly within the last eight or ten years, and has brought financial strain to even the oldest and strongest companies.

The growth of the automobile industry illustrates this feature. In 1916 there were in the United States 3,500,000 motor vehicles. Today there are four times that number, with corresponding increase of other types of internal-combustion engines.

Within a period of six years, therefore, the petroleum industry has been called upon to provide a four-fold increase of output for automotive requirements alone, to say nothing of increases in other directions, and this

has involved enormous expansions of plants, increase in crude supplies, vast enlargement of facilities of distribution and every other requirement that such sudden growth of consumption makes necessary.

In the year 1882 production was limited to practically the eastern shallow-well territory. The areas of production were well-defined and successful drilling reasonably assured. The average cost of drilling and completing a well to the depth of 1,600 feet did not exceed \$3,400. Territory, lease rights and wages were all low. In that year 3,268 wells were drilled, all of which were producers except 179, so that less than 5½ per cent of expenditure and effort was lost because of dry holes.

In 1922 crude oil production had undergone so radical a change that it bears small resemblance to the conditions existing forty years ago. It is now a deep-field proposition, frequently through very difficult formation, and with great increase in the element of uncertainty. Producing property and leasing rights have become excessive in cost, and operating expenditures enormously expanded.

Last year 24,642 new wells were drilled, of which 5,406 were dry holes, so that about 22 per cent of all effort and outlay was a total loss.

J. Edgar Pew, vice-president of the Sun Oil Company, has estimated that the average depth of the wells completed last year exceeded 2,800 feet, and that the bare cost of drilling the same was \$529,270,000. To this sum must be added lease rights, royalties, lifting and operating costs, overhead, etc.

Mr. Pew figures that the total cost of the 550,000,000 barrels of crude oil produced in this country last year was \$834,273,000, and that the producers realized for their oil \$775,000,000, showing a net loss to the producing branch of the business for the year of \$59,273,000.

When I entered the oil business, burning oil was still the major product, and every effort



was concentrated upon securing the largest possible yield. All the light ends were turned into the kerosene fraction up to the closest margin of safety. Only a comparatively few years before, crude oils had been skimmed for burning distillates and the remainder disposed of in any possible way, even to being surreptitiously drained into nearby streams in the night in order that relief from accumulated stocks might be secured.

Gasoline was a bothersome and undesirable product. Demand was almost nonexistent in comparison with the unavoidable production. Although some relief was brought about by the use of naphthas for gas making, stocks continued to multiply. Our company's operations were then small, but we had in storage some millions of gallons of gasoline that constituted a source of continual perplexity and worry.

At one time we joined with other refiners in an effort to demonstrate the entire safety of gasoline for household use in naphtha cooking stoves, although we were careful to caution the housewife to fill the stove container out of doors.

It is illustrative of the unimportant place that naphtha then occupied in industry that in 1882, of the total exports of finished petroleum products, only 3.7 per cent in volume and less than 3.2 per cent in value were repre-

sented by this product.

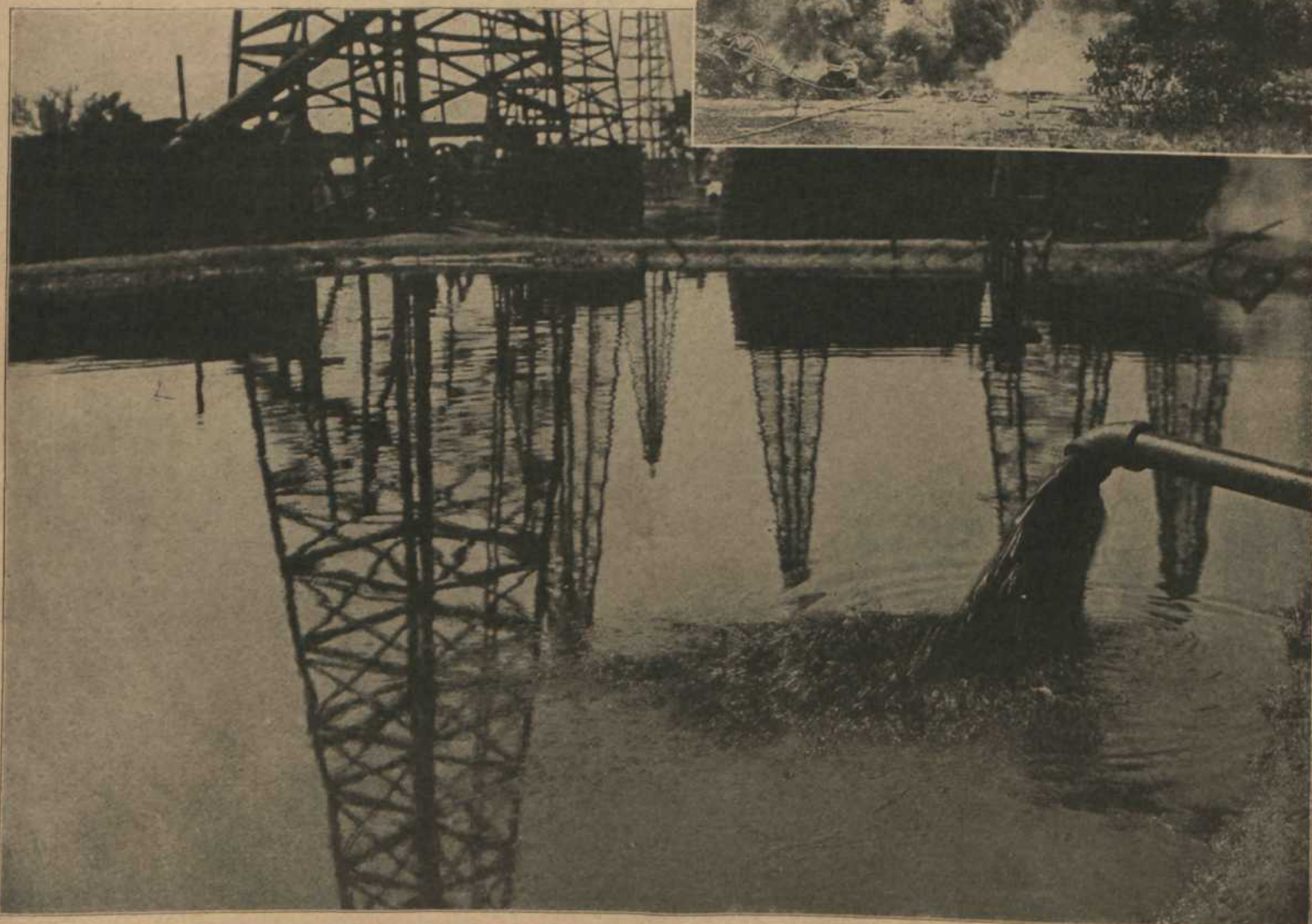
As a contrast, last year, by like compilation, eliminating straight crude and gas and fuel oils, gasoline constituted 32 per cent in quantity and 44 per cent in value of the exports of finished petroleum. Today the burning oil content of petroleum is the troublesome factor, since its consumption is steadily declining, and its utility must be looked for by conversion into naphtha by cracking methods.

My activities in the petroleum industry began and have largely continued since in the development and production of lubricants, and in this particular the pioneer refiners of such products had many difficulties to combat and prejudices to overcome.

The great development in mechanical industry, however, brought the petroleum lubricant into the place it now occupies. The early troubles of the dynamo were caused by lubrication difficulties, particularly since fixed oils were totally unsuited for such use, and when George B. Selden, sometimes called the



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America's crude oil production in 1922 reached the tremendous total of 551,200,000 barrels, and \$8,000,000,000 was invested in the petroleum industry. The upper picture is a good example of one of the hazards in

production. One man was killed and a flaming column of oil burned for 17 hours before Kentucky's first gusher, the Whittaker-Kelly, was under control. Below is a view of the West Columbia field, in Texas.



Father of the Automobile, was experimenting with his engine, his real trouble was the problem of lubrication, which was solved only when he found a suitable petroleum lubricant.

At the present time gasoline overshadows in the public mind all other petroleum products, but it is conceivable the internal-combustion engine could function without it. In spite of the Eighteenth Amendment nature still distills ample supplies of alcohol, and in several foreign countries this product is coming into use, and in some of them, as France for instance, by compulsory legislative enactment. An English chemist has produced a satisfactory grade of gasoline from coal, by distillation and cracking processes. Some at present unknown application of radio activity may bring into use some day an entirely new method of propulsion. In any event there are ample supplies of gasoline in sight for all requirements for a long time to come. The steady improvement in cracking methods employed by refiners is securing larger and larger quantities of gasoline from a given volume of crude oil.

### The Wheels of the World

HOWEVER, as long as metal revolves on metal, no lack of a separating and friction-reducing fluid is thinkable. Today the wheels of all industry the world over revolve upon petroleum. The day may come when the lubricating qualities of petroleum will be the real vital need of our civilization, and will have to be conserved with judgment and care, lest mechanical operation comes to a halt for lack of a lubricating substance. The vast expansion of mechanical operation is calling for larger and larger quantities of lubricants, and there is nowhere in sight any substitute for petroleum in this particular.

From its early beginnings the petroleum industry has been a resolute and resourceful exporter. Realizing that production exceeded home needs, it has sought foreign outlets with great courage, large vision, and vast capital outlay. It has not hesitated to carry lamps to the wilds of Africa or the remote parts of China, that darkness might be dispelled and light become a common heritage.

It has belted the globe with supply stations, invented tank ships, and adopted every method of distribution that would bring petroleum products to the ultimate user at the least possible cost. For nearly three-quarters of a century it has brought back to this country vast sums to enrich our common store of wealth.

No other one of our natural resources has been so widely or so painstakingly distributed in all corners of the world. The petroleum industry is an outstanding evidence of American imagination and enterprise, far-spread and indomitable, undismayed by any obstacles.

What is the future of this industry at home and abroad?

Petroleum is essentially a requirement of higher civilization. The ratio of its consumption depends upon social advancement and betterment. At the present time it seems to me that European recovery is being seriously delayed by bad political leadership. While the losses of the war in mankind and in prop-

erty have been unparalleled in the world's history, crops are being grown and products being manufactured, so that slowly physical wealth is being created. This creative process would accelerate rapidly if there existed everywhere a sense of political security and economic stability. It is a sad commentary upon governmental leadership at the present time that, in spite of the fact that the common people everywhere are sick of war to the very heart's core and dread nothing so much as a return of bloodshed, fully thirty separate countries of the world are continuing their preparations for war, regarding fresh conflicts as an existing possibility.

It is reasonable to assume that the yearnings of the great numbers of the common peoples of Europe for education, advancement and improvement in social conditions, which the great changes brought about by the war have created, will in time compel principles of good judgment and sound common sense as the guiding impulse of their political leaders. In such an event there will be a vast expansion in the demand for petroleum products. At present there is an excess of production for our home markets, but while fortunate for the consumer, it is a temporary condition only and not likely long to continue.

Our domestic fields are being drained, and new sources of supply must be secured to

keep pace with the ever-increasing demand. Consumption is increasing in a much greater ratio than increase of population or expansion of human activities as a whole.

No one can prophesy when the saturation point for automobiles in this country will be reached. It is yet a long way off, for the demand grows as rapidly as road construction advances. Abroad, the motor vehicle is at its beginnings. What it will become in time with a restoration of settled conditions and recovery from present poverty, no one can imagine. It is not reasonable to expect that, of the world's total number of motor vehicles, some 84 per cent will long continue to be operated in this country alone.

There will occur in the very near future, not only in this country but universally the world over, a great development of hydro-electric power, for coal must be replaced by something less cumbersome and costly.

### Our Supply, and the Future

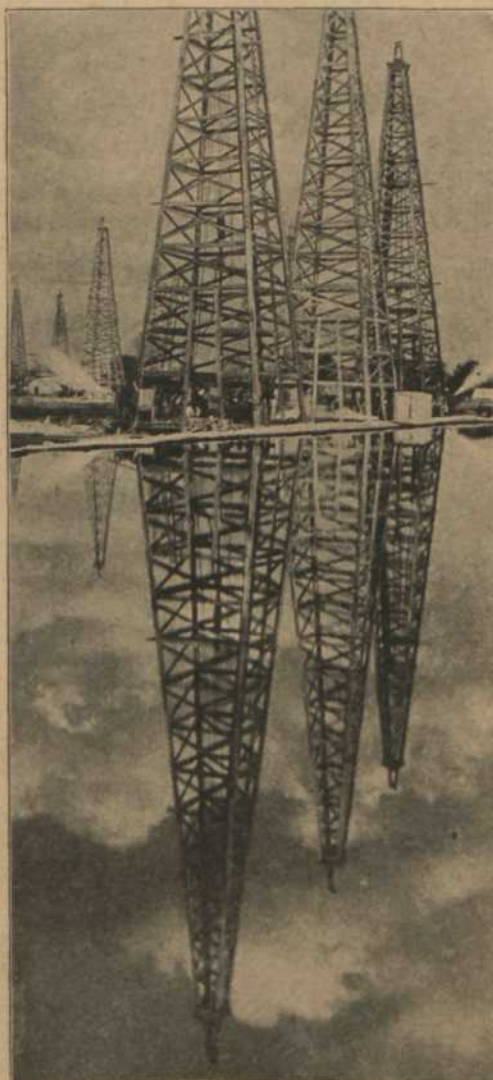
THESE plants are large consumers of petroleum products for lubricating and insulating purposes and will call for ever-increasing quantities of the special grades needed for their operation, and there is no product as yet discovered that will replace derivatives of petroleum for this use.

To keep abreast of the constant and rapid increase of demand the petroleum industry must ever seek new sources of supply. I am not one who believes the world will fail to yield a required supply, for where sedimentary deposits exist, petroleum can be looked for. But I believe the day is not far distant when the United States will require large supplies from foreign fields to care for its home needs. Already an English competitor has boasted that in the not-distant future America must reconcile itself to buying oil from English companies, and adds with someunction that the United States is well able to afford it.

The industry is facing this problem, as it has faced all others, with unabated courage. Not only is it scouring our own domestic territory with renewed zeal, notwithstanding the greatly increased costs of production in the remote and at present almost inaccessible new fields, but is reaching far out for concessions and opportunities in foreign countries, in order that new production may be secured and controlled by American capital for American needs.

Large as has been the capital demands upon the petroleum industry during the last ten years, the outlook is for still greater expenditures in the near future. It will be an unfortunate and even disastrous matter if petroleum becomes a football of politics and the free play and unrestricted operations of the industry are hampered or throttled.

The industry has ever supplied a great public need. It has never asked nor received more than a fair profit return for the great capital it employs. It is ready and willing to serve in the future, as in the past, faithfully and honorably, and if by any contingency this purpose is strangled, the public will be the serious sufferer.



"The petroleum industry is an outstanding evidence of American imagination and enterprise."



# Immigration, a Legislative Point of View

By **ALBERT JOHNSON**

*Chairman of the House Committee on Immigration*

**A**T ITS annual meeting in New York in May the Chamber of Commerce of the United States went on record as favoring the present 3 per cent immigration law with an added possible 2 per cent quota upon a selective basis. The House of Representatives Committee on Immigration reported a bill which would fix a 2 per cent quota on the basis of the census of 1890. Representative Johnson, the active chairman of that committee, here explains and defends that bill. The Congress which convenes in December will have the whole subject before it. The business men of America are concerned with it from every angle. Not only the supply of labor, but the making of citizens and neighbors are their concern.—THE EDITOR.

**T**HE PRESENT 3 per cent law expires on June 30, 1924. The question as to what shall take its place is vital to the United States and is one on which there should be clear and sane thinking. The great majority of our citizens are thoroughly convinced that there is imperative need, both of numerical limitation and also of much more careful selection. Yet a very wide diversity of opinion prevails as to the provisions which should be embodied in the new law.

Under these circumstances of confusion and contradiction, laymen wish to clarify their ideas on this matter. Therefore I have been asked to state the views of the majority of the House Committee on Immigration and Naturalization and to indicate what form forthcoming legislation is likely to take. During the session of Congress which ended on March 4 of this year, this committee of the House of Representatives made one of the most thorough studies of the whole immigration problem ever carried out in this country.

On February 15, after hearings at which every interest and point of view were represented, the committee reported an immigration bill which is thoroughly sound in its essential principles. By reason of the legislative congestion at the end of the session, no action was taken on this bill. While in some of its details this proposed legislation is not perfect, it does embody many excellent provisions. It is based on two essential and fundamental propositions: restriction and selection.

**FIRST:** The committee took a very important step in recommending a permanent percentage law and thus recognizing the principle that the United States should never again keep its doors wide open.

A definite numerical limitation has been long and strongly advocated by

leading authorities on immigration. It was embodied in the 3 per cent law, which passed both Houses of Congress by enormous majorities, and which, in spite of certain defects which are remedied in the new bill, has on the whole worked successfully and has saved the country from a vast influx of aliens—probably 3,000,000—most of whom we are a great deal better off without. The committee, having very carefully considered all the arguments made before it to show that there is a shortage of common labor, took the view that "the alleged labor shortage and the effect of immigration curtailments are being misunderstood and overrated." The facts upon which this conclusion was based are fully set forth in the hearings. The committee reported that: "The prosperity of the United States does not depend upon additional unskilled immigrants coming to this country."

**SECOND:** The percentage (2 per cent) is based on the census of 1890, instead of on the census of 1910, as in the present law. The new measure thus aims to change the character of our future immigration by cutting down the numbers of aliens who can come from southern and eastern Europe. In other words, it is recognized that, on the whole, northern and western Europe furnish the best material for citizenship.

The provision for a per cent quota based on the 1890 census embodies a simple but practical solution of many of our immigration problems, based on historical facts. It would, so far as future immigration under the per cent provision is concerned, to a certain extent be automatically selective as well as numerically restrictive. A recent editorial writer in *The Saturday Evening Post*, speaking of the racial elements in the country in 1890, well said:

Taken by and large, they were the stuff of which Americans have been successfully made for the past hundred years. Given the same material, we can go on for another century making the sort of citizens we used to make thirty years ago.

And President A. Lawrence Lowell of Harvard University has stated the matter clearly in the following words:

It is, indeed, largely a perception of the need of homogeneity as a basis of popular government, and the principle upon which it rests, that justifies democracies in resisting the influx in great numbers of a widely different race.

The argument usually made in favor of the per cent law is economic, but the fundamental reason for it is biological.

**THIRD:** The committee has taken another necessary step in providing for a better selection, within the established quotas, of the incoming aliens. This



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A batch of future Americans of Italian blood on the rim of the melting pot. The experts say the younger they are, the quicker they melt.



is a much-needed reform, which will heartily commend itself to everyone who is at all familiar with existing conditions. It is urged, again and again, that the present percentage law does not select; it merely restricts numbers. This is, to a large extent, true.

The committee proposes a plan for consular certificates to be issued to each intending immigrant before he starts on his voyage. This certificate is to contain answers to questions essentially the same as are asked of the immigrant on his arrival at our ports, as well as full information about his health, civic record, political activities and character. It is to be verified by oath before a United States consular officer abroad.

While there would, undoubtedly, be many cases of perjury and of fraud there can be no question that a very great many undesirable aliens, excludable by law, would be headed off by our consuls when application was made. The purpose of the certificate plan is "to reduce hardships to the absolute minimum, to avoid the division of families, to save the nationals of other countries the expense, perils and hardships of the ocean trip to the United States only to find that for any one of various reasons the immigrant or some member of his family may not enter."

Certificates are to be issued only up to the numbers allowed by the quotas. This would prevent the present hardships which result when aliens arrive here in excess of the quotas and must be deported. The certificate plan has had the approval of the experts on immigration problems. It is the nearest approach at present possible to a complete examination of immigrants overseas, which cannot be put into effect without the negotiation of new treaties.

Under this proposed plan, the real inspection, medical and otherwise, would be made at our own ports, as it should be, but most of the aliens who would be excluded on examination here would never start on their journey. The certificate plan, then, would, through the preliminary selection overseas, benefit the United States. It would also very

greatly diminish the hardships of the alien. It is selective. And it is humane.

FOURTH: Another step looking towards a more thorough examination—general, mental and physical—of arriving aliens is taken in the provision that not more than 10 per cent

here. The natural desire of our recent immigrants to have their relatives join them, thus relieving the hardship of dividing alien families, is recognized in the establishment of a very considerable group of immigrants who would be admissible without being counted as part of the quotas. Those who have been in America and are returning would not be debarred, nor would immediate relatives of naturalized citizens and of those who have declared their intention of becoming citizens.

While the numbers admissible under the proposed 2 per cent quotas would be much smaller than the numbers admissible under the 3 per cent law, the very numerous exceptions in the case of immediate relatives would, without doubt, far more than offset this percentage reduction, and would permit the immigration of "refugees" who have near relatives in the United States. It is probable that the number of relatives will be limited to a small percentage, as a safeguard against fraud. The provision for the admission of relatives should be made only for the relatives of citizens, who must in all cases be eligible under our general immigration laws.

The bill further provides that all nations shall have a minimum quota of four hundred eligible to enter the United States before the 2 per cent quota is applied, would not operate against immi-

gration from Canada, Newfoundland, Mexico, Cuba and Central and South America, provided those seeking admission had been resident in those countries for five years, and permits the immigration of skilled labor outside the quota limits, "if labor of like kind unemployed cannot be found in this country," the question of the necessity of importing such labor to be determined in advance by the Secretary of Labor.

Thus far the new legislation proposed by the House Committee is a thoroughly constructive, logical and practical immigration bill. Its enactment into law would go a long way in "solving" many of our present immigration "problems."

This proposed new legislation would, it



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The proposed legislation takes account of a recent immigrant's yearning to have his family join him here. Provision is made for the admission of a considerable group of immigrants, like this Italian mother and her children, without their being counted as part of the quota.

of the annual quota of each nationality shall enter per month, instead of 20 per cent as at present. As things now stand, there is a tremendous rush to get in as soon as possible, and many quotas are exhausted before the year is half over. This inevitably means hurried and unsatisfactory examinations. If the quotas were spread over the year, the important work of medical and general inspection could be done in a far more leisurely and therefore in a far more effective way.

The foregoing are the provisions of the proposed legislation in so far as (1) definite numerical limitation and (2) selection within this limitation are concerned. The bill also embodies certain other provisions, the most important of which deserve mention



must be clearly understood, be in addition to, and not a substitute for, our present general immigration law of 1917, under which some thirty classes of aliens who are physically or mentally diseased, or otherwise morally or economically undesirable, are excluded.

Complete and satisfactory as the Act of 1917 seems to be, it is not enforced. Everyone knows that, especially the aliens themselves, their relatives and friends in this country, and the steamship companies. Hence, although the law is excellent *on paper*, we have during the last few years admitted not hundreds but thousands of aliens who were diseased, who were mentally far below par; who had criminal records and tendencies, who could not earn their own living, who are in every way hopelessly undesirable and impossible material for American citizenship.

### Pull, Pressure and Politics

TO MAKE this law more than the dead letter which it has very nearly become, several things are essential. Larger appropriations must be made to provide more and better-paid medical and other inspectors and interpreters. There must be far less yielding to political pressure for the admission of aliens on appeal, over the decision of the medical examiners and the Boards of Special Inquiry. The fines provided by law in cases where steamship companies bring excess quota, illiterate and mandatorily excludable aliens should be increased to \$1,000 or more, plus the refund of all passage money. No authority to remit these fines should be given to anyone. They should always be rigidly imposed.

Above all, intelligent American public opinion must arouse itself and insist on a rigid enforcement of the law all along the line. As things now stand, alien interests and alien influences and alien "pressure" working—to their shame be it said—through American Senators and Congressmen, are active day and night to secure the admission of immigrants whom Congress has declared are not admissible.

These alien influences and interests succeed far oftener than they fail. The American nation is paying the price and a heavy price it is.

Many amendments to the general immigration Act of 1917 have been suggested by the experts. With these details the present writer does not wish to deal here. There is, however, one very serious flaw in this act to which competent students of the problem have for years been directing attention, and to this one point only it is desired to refer.

The general immigration law of 1917 names some thirty classes of aliens who are excludable on mental, physical, moral or economic grounds. These include the insane, the idiot and the feeble-minded; those who have loathsome or dangerous contagious diseases; criminals; prostitutes; persons mentally or physically handicapped in earning a living; illiterates, etc.

In fact, the enumeration of the undesirable classes is so complete that, if the law had been and were always rigidly enforced, our immigration "problem" would have given us comparatively little trouble.

Our law bars criminals, but our court and institution records show a large excess of

foreign-born. Our law bars the insane, but our insane hospitals, especially in the north-eastern states, are filled with aliens. Our law bars those suffering from loathsome and dangerous contagious diseases, and those suffering from physical disability that may affect ability to earn a living, but political "pull" often suffices to admit over the doctor's certificate, against express provision for exclusion.

Our law debarb paupers; yet an insignificant number of aliens is debarred on those grounds, although many of those now arriving are close to the pauper line, and many are unable to support themselves.

There are two essential difficulties in this situation. One is the impossibility of detecting, in the hurried examination at the port of landing, nearly all the cases which, for one reason or another, should be debarred. The other reason is the gross abuse of the privilege of appeal from the decision of competent medical officers and of the boards of general immigration inspectors, and the too great leniency in granting such appeals.

The appeal and bonding clause of the Act of 1917 gives the Secretary of Labor authority, in his discretion, to permit certain classes of aliens suffering from specified diseases or disability, or likely to become public charges, nevertheless to enter the United States for a limited time, under bonds, for treatment or observation, or to give them opportunity to prove that they will not become public charges.

### The Hole in the Law

IN THEORY this is a very humane and just provision, but in the opinion of all unprejudiced students, it is the biggest hole in our general immigration law. Under the bonding clause many thousands of aliens, mentally and physically defective, diseased, and certain to become public charges, have been admitted. Appeals are constantly made on behalf of every class of alien specified in the law as excludable. Immigrant "aid" and charitable societies, immigrant lawyers who prey on the alien, relatives and friends of those liable to be debarred, Senators and Congressmen of the United States, city and state politicians, misguided sentimentalists, appear in behalf of the detained alien. The only party which is not directly represented in these appeals is the United States, which has everything to lose and nothing to gain, if the appeal is sustained. The only safeguard which the country has is in the officials who, in the face of terrific pressure, endeavor to hold up the law. The result is that thousands of aliens certified by thoroughly competent expert medical officers as having such mental or physical defects as constitute them potential public charges, and highly undesirable elements in our population, are constantly admitted under bonds.

We are infinitely more careful in the selection of the animals which we import for breeding purposes than we are in the selection of our incoming aliens. From abroad, after a study of pedigrees often reaching back over several generations, we import the best horses, and cattle and sheep and swine which can be found anywhere in the world. Not only so, but under the regulations of the Bureau of Animal Industry all such animals are sub-

jected to very rigid veterinary inspection and quarantine regulations.

No abnormal or diseased animal is allowed to mix its blood with that of our breeding stock. And no animal declared unfit by competent veterinary testimony is allowed to go free, to wander at will over our farms and our pastures, contaminating our own stock. There is no appeal for a tubercular cow; no admission on bond for a diseased hog. An unfit animal is an unfit animal, whether it be a man or woman, horse or sheep. Bonds are powerless to make a fit American father or mother out of a feeble-minded alien.

A simple and effective remedy for the very serious evils of our present bonding system would be to require a cash bond. Section 21 of the Act of 1917, which provides for bonding, expressly states, "in lieu of such bond, such alien may deposit in cash with the Secretary of Labor such amounts as the Secretary of Labor may require, which amount shall be deposited by said Secretary in the United States Postal Savings Bank."

If the alien became a public charge, the money would be directly available towards the expenses of his support; and no suit to recover would be necessary.

If a cash deposit of a considerable amount were required, the relatives and friends of the alien, and the immigrant aid societies, would be much less ready than they now are to appeal the case of excluded aliens. If the alien himself put up the cash bond it would be reasonable evidence that he would not become a public charge.

Cash bonds, as here urged, would force the steamship companies to be more careful in permitting the embarkation of aliens who would probably be excluded on arrival here, because far fewer such would be allowed to enter on appeal. Another most desirable result of such bonds would be the very great decrease in the harassing and laborious work of hearing appeal cases in the office of the Secretary of Labor, and would also largely do away with the present conditions of political pressure for the admission of aliens on appeal. Most Senators and Representatives in Congress would doubtless be glad to be relieved of the burden now put upon them in this matter by their foreign-born constituents.

Finally, cash bonds would, without any doubt whatever, result in the landing of a very greatly reduced number of undesirable aliens.

### Essentials in Legislation

IN conclusion, our permanent immigration legislation should include: (1) a percentage limitation, based on the census of 1890; (2) consular certificates; (3) the admission of not more than 10 per cent of the annual quota of each nationality in any one month; (4) the admission of a limited number of *near* relatives of citizens and of those who have their first papers at the time of the enactment of the law; (5) the requirement of a cash bond, at least \$1,000 in the case of every alien admitted on appeal.

With these principles embodied in law, and with a *strict* enforcement of the law all along the line, the country could feel fairly safe as regards its future immigration policy.



# What Happened to Sugar

By HOWARD WHEELER

SINCE THIS is to be an article by a writer who never bought a pound of sugar in his life, except in such quantities as he was instructed to accumulate at the corner grocery on his way home from the office, there is just an even chance that he will not be accused by irate housewives, and others, of consorting with ribald gamblers and ruthless profiteers when he modestly sets down for print the simple statement that gambling and profiteering have been but the incidental, and not by any means the answer to what's been going on in sugar.

Imagine the disappointment of an investigator when he runs into a fact like that, after an editor has given him a block of paper and four new pencils, together with the broad instructions to take the lid off so anybody who wants to can see inside.

It was a fine chance for muckraking the "sugar-gougers," and the rake would have swung right merrily had not the fact early developed that those of us who have been damning the gamblers for the prices we've been paying for our family sugar and letting it go at that have been fixing our belligerent eyes on the tail of the beast and assuming that it was the most important part of the canine.

The purpose of this article is to turn the animal right end to, so as to get a good look at him; and we might as well start by casting a contemplative eye into the past in a try to recall him as he looked when a pup.

A couple of years ago, you will recall, just following the period when we were scraping the bins of a war-torn world, and after the Sugar Equalization Board of the Food Administration, in control of price and distribution, had shut up shop, at a time when we were almighty glad to get a bit of sugar for our coffee even if it cost us as high as a quarter a pound, there came a veritable saccharine flood. The price of raw sugar fell off until it was selling in the United States as low as two cents a pound. A year ago Cuba poured in on us a record crop of 4,000,000 tons, and our own growers rose in meeting to say that they also had record crops to talk about. Then came the inevitable headache. The prices were below the cost of production in Cuba. The industry was prostrated. Banks that had made loans against stocks of sugar couldn't get their money. Everybody who raised sugar was broke. Plantations ran down at the heel. Reseeding was stopped. Machinery had deteriorated. Of course the beet raisers, too, were hit, hard.

Tough going, indeed, except for the consumer. Ma could jell and preserve to her heart's content—and did, as the figures show. Pa boasted quietly and covertly of the quantity, quality and economy of the cheer that was coming out of the family wash boiler in the basement. Johnny and Theodosia were restrained in their consumption of sweets only on the score of health. No doubt doctors and dentists prospered. Anyway here

are the figures which indicate how we hopped to it:

In 1922 we consumed 5,461,000 long tons of sugar, as against the 4,400,000 tons we disposed of in 1921.

Each one of us ate 110 pounds in 1922; only 89 pounds in 1921.

Yes; the sugar puppy was some spindling beast, then. But along in December of last year he began to chirk up.

Why?

Well, for one thing, and at the bottom of it all, there opened about that time one of the liveliest guessing contests in recent years. It is still on. Who started the guessing probably no one will ever know—no doubt several gentlemen at once, traders who received confidential reports on the outlook for the Cuban crop and who had been doing some figuring on the existing supply.

Of course nobody sets the price of sugar. The price per pound or sack is determined by barter and trade. The spot price in sugar transactions is part of it. But the great determining factor is "futures."

The average American, to be sure, who has lived long enough to remember Tom Lawson and the band that followed after him, turns pious eyes heavenward when somebody begins talking about "dealing in futures." He loses sight of the fact that there are futures and futures.

## Mr. Cummins Sells His Crop

NOW THIS article is not intended to be a treatise in business economics nor yet a defense of gambling. But it is a part of the explanation of what's been going on in sugar, to point out that when, along about the first of this year, Jim Cummins down in Louisiana got an offer of three and three-fourths cents for his sugar crop that won't be even a crop before October, he sat down with a good sharp pencil and worked it out that three and three-fourths cents would return him a fair profit.

Mr. Cummins, to be sure, was fully aware that by the time his crop is a crop, sugar may be selling at a lot more than three and three-fourths cents; and by the same token it may be selling at less. But Jim is a sugar grower, not a sugar gambler; and if his gambling blood stirred at all, he was mindful that Jim, Jr., has got another year before he's through school and that the old car is about on its last legs. So he took a contract for something like three-quarters of what he believed his crop would be, in case the weather



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Sugar planting in Cuba. The Cuban Department of Agriculture thinks the present crop may be 500,000 tons less than last year's.

man should go back on him or something else happen to throw his calculation out—and his worries for the year were over, or about over. He's sitting pretty now, whatever happens. Let the gamboliers gamble; let the bulls and the bears snort and cavort. He's sure of his profit, barring drought, fire, war and pestilence.

Mr. Cummins has been dealing in futures. And what he has been doing, as we all know, if we stop to think a minute, is a vital and necessary part of business. It stabilizes industry from the producer of the raw material and his banker, right through to the retailer of the finished product, and makes it possible for business to be carried on evenly and safely on a fair margin of profit.

But how about the trader who offered Mr. Cummins three and three-fourths cents for his sugar? Was he a gambler? Maybe he was. And then again, maybe he wasn't. It all depends on how much he knew—how much information he had and how accurate it was. He may or may not intend actually to handle the Cummins sugar when delivery time comes. Maybe he never expects to deliver a pound of sugar himself. Maybe he had just sold sugar short and was covering with the Cummins contract. Whatever he was doing he was fig-



uring on pulling down a profit for himself. He's not in business for his health.

At that particular time he was figuring that the price of sugar was going up, and that contracting for the Cummins sugar at three and three-fourths cents was good business.

And that's about where the guessing contest started that has become a bit wild and hectic at this writing—the guessing bee that created the opportunity that eventually sent the Department of Justice into Wall Street.

Some figures were coming in. They were coming from various sources: from private agencies, growers' associations, mills, refineries, government departments, here and abroad. . . . And enough of them agreed to make a set of figures that was highly interesting to gentlemen with a bent toward speculation.

By the end of the first week in January it appeared quite evident that the American beet sugar crop would be short something like 300,000 tons. Along with this came the intimation from those who make crop-estimating a business, that the Cuban crop was off, too. The industry in Cuba was still shaky. In Cuba there are a number of sources of expert estimates, public and private. Among the most important are the Cuban Department of Agriculture and the firms of Himely, Guma y Mejer and the American firm of Willet and Gray. American firms and those of other countries maintain their own special representatives who are adepts at gauging future crops.

As early as December the estimates of the Cuban guessers were being heard from. Guma y Mejer said 4,193,000 tons. Himely was more conservative, with an estimate of 4,103,000 tons. Willet and Gray went on record with the opinion that 4,000,000 tons was about it.

With the beet crop off, and American statistical consumption figures as they were, these figures meant a short crop, as compared with the year before.

Let someone who knows his way about say "short crop" and echo always answers—down in Wall Street. It did early this year. The boys started bidding against each other for sugar contracts. There was developing what

the economists call a highly speculative market. That sort of a market develops only when there is a shortage somewhere, or when somebody is trying to work some shenanigan.

Up to now there was no apparent shenani-

few reformers and a considerable mess of us ordinary folks, taking our cue, perhaps, from what our pet editor had to say, gleefully jumped the Commerce Department, blaming it for all that had happened to sugar prices, all that was happening and all that was to

happen, if anything. We're that way, we Americans. We like to put the blame on the hired man.

"Ah, ha!" chortled the villain of the piece; the same being the naughty gambolier in Wall Street and elsewhere. "That being the lay of the land, let us hop to it and let Mr. Hoover and our other hired men take the blame." And forthwith the tail of the sugar pup began to wag.

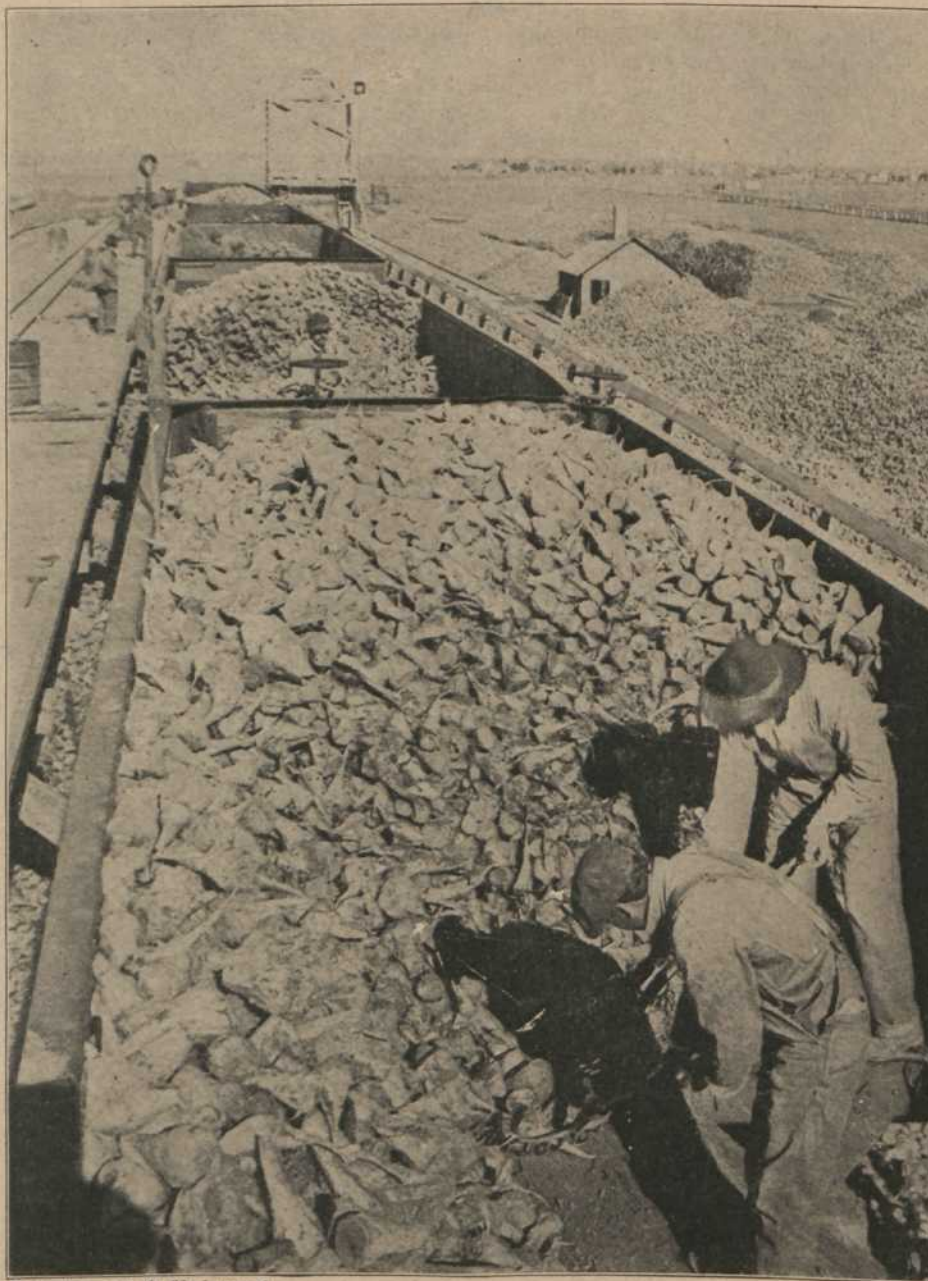
Whereupon the highly speculative market became even more highly speculative, taking on, in fact, a purplish hue. The price of raw sugar advanced from  $4\frac{1}{8}$  cents on February 9 to  $5\frac{3}{8}$  cents a pound on February 13. By March 1 it had reached  $5\frac{5}{8}$  cents and on May 21 it topped  $6\frac{7}{8}$  cents. That meant that the housewife was paying around 10 cents a pound for her table sugar.

Long before that the Department of Justice had gone down into Wall Street. The Department of Justice has not confided to the present chronicler just what it found. But it is violating no confidence to say that those of our government watchdogs who have made it a matter of business to find out what's what believe that there has been

some sort of concerted action to jump the price of sugar, a good deal of playing for big stakes, a lot of trading that is not regarded as legitimate.

Be that as it may, at about the time when the Government was being denied its application for an injunction directed against the sugar speculators, there jumped onto the stage something at least as powerful as the Department of Justice, and a heap faster—the American housewife.

The buyers' strike started. That sent the well-laid plans of the sugar mice and men a trifle agley. Not much, but a trifle. For the American housewife represents one of the two major speculative elements in sugar dealing. If you and I knew how much sugar the growers in 1923 will grow and how much



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The innocent American sugar beet. Figures that indicated that this crop would be short about 300,000 tons, started the guessing bee that eventually sent the Department of Justice in to Wall Street.

gan—no evidence of any attempt at artificial boosting of sugar prices.

On February 9 our own Department of Commerce issued its statement on the sugar situation, in which it pointed out that the world production appeared to be only 125,000 long tons higher than it was last year, to supply consumption needs estimated at 350,000 tons more than in 1922, and 725,000 tons larger than production, but that the carry-over from the previous year made up the gap and gave a margin above needs.

Now that was no news to the sugar traders. It was only confirmation of what they had already received from a variety of sources. But the gods that guide the destinies of planets, golf tournaments and government departments, willed that some business men, a



sugar the eaters will eat, we could go out this minute and make our everlasting fortune or enduring fame as shrewd prophets, or both. Of course.

There are figures? Certainly. Figures on planted acres, average yield, last year's yield; average consumption per capita, last year's consumption, and so on.

But there are no figures that anybody knows of that can be relied on to control weather, fires, blight. And if you think it's possible to figure what the lady of the house will do when she gets her dander up, read your Kipling or any good general history.

You can only guess things like that. And it's things like that that make the speculator's life so merry.

### When They Guessed Again

IN APRIL, for instance, those estimators, public and private, that we spoke of a while back, began revising their earlier figures. In addition to the generally down-at-the-heel condition of the Cuban plantations and mills, there came more fire than ordinarily. The season had been unusually dry. It was clear that the early estimates had been too optimistic.

The new guess of Guma y Mejer was 3,670,000 tons, as against this firm's earlier estimate of 4,193,000 tons. Five hundred and twenty-three thousand tons is a lot of sugar. The Cuban Department of Agriculture estimated the crop at 3,733,000 and said it was probable that 3,500,000 was nearer to it. Our own Department of Agriculture estimated the crop at 4,000,000 tons.

All this was nuts to the merry gentlemen who were laying their bets for a rise in prices. So do the wicked prosper. Fate and the weather man were playing right into their hands.

But how about the housewives? There was a lot of talk in the streets and in the well-known marts, and more in the newspapers that the strike was a fizzle. The picturesque mayor of New York asked the ladies of the metropolis to parade in protest and to show their strength. The ladies wouldn't, or didn't, which was about the same thing.

The sugar people were mindful of what happened in the clothing strike of 1921; and were correspondingly cautious. If a sugar buyers' strike got nowhere, it might be safe to go ahead on the basis of last year's consumption figures. But were surface indications to be relied on?

They were not. And they are not.

There are no complete figures, of course. Not yet. But there are some. And those that are available point this way:

The American housewife has cut her sugar purchases somewhere in the neighborhood of 25 per cent. A fact.

This figure has come out of a canvass of one of the big chain grocery store systems, and is backed up by a wholesale house dealing in sugar.

"We did not ask our customers to limit their purchases of sugar," said the management of this chain when he was asked about sugar purchases. "We purposely refrained from making any comment on purchases with the idea that the customers might come back later when sugars were higher and say they might have saved money if they had bought their sugar when it was cheaper. But we did request them to conserve sugar as much as possible and pointed out that by cutting down the use of sugar they would increase the supply which, of course, is bound to decrease the price.

"There isn't any question in our mind that the publicity given to the conservation of sugar has had a tremendous effect, because while our general sales of merchandise in all our stores have shown constant increases all during this period when sugar has been so strongly in the public mind, yet the actual sales of sugar show a decline of about 25 per cent. This decline is figured on the business done in all of our stores, and we feel that it is indicative of what must be happening throughout the country."

"And of course," the management of these stores added, "if any such decline should be maintained it will a great deal more than offset any shortage of which we have heard mention."

The figures bear this merchant out.

It must be remembered, too, that not more than half of the sugar we Americans consume is used in our homes. The rest goes into manufactured products.

The estimates of the quantities used in manufacture run this way:

Our candy makers alone use more than 350,000 tons a year and 130,000 tons more go to sweeten up chocolates and ice creams.

Every year the bakers dip into the national sugar bowl for well over 45,000 tons for bread, 55,000 tons for crackers and 90,000 tons for pies and cakes. A mere 10,000 tons goes every year into frostings and odds and ends in the bakeries.

Fourteen thousand or more soft-drink makers hit the nation's sugar bin for at least 135,000 tons for their concoctions and another 100,000 tons goes into condensed milk.

Twenty thousand tons of sugar is chewed up each year in gum; and less aesthetic jaws work on another 15,000 tons that goes into the nation's "eatin' tobacco," this not including about 6,000 tons that goes to smoking tobaccos.

The country's pill and potion bill disposes of about 6,000 tons of sugar each year, and the corner druggist uses an unknown quantity in filling what the doctor ordered.

Even sticky fly-paper and roach, ant and rat killers draw from the sugar supply to the tune of hundreds of tons.

And nobody knows how much has gone into boot-leg and home-brew.

There would seem to be a consumption of something over 2,500,000 tons that would not be affected by any housewives' strike, no matter how widespread. But is that right? As this is being written, a powerful group of newspapers, whose member papers stretch from coast to coast, are urging their readers to cut down on candies, ice cream and soda pop. And this campaign and similar ones are reported to be spreading. It is too early even to estimate results. What makes the sugar strike different from the clothing strike is that sugar is not a necessity. It is more of a habit. The clothing strikers could wear overalls and patched clothes. But eventually even the patches would wear out; and eventually the striker would have to buy clothes, and more frequently because of depleted wardrobe.

The sugar, or candy, or pop or gum unbought this week will never have to be made up. It stays unbought.

### Who Will Get Hurt?

YES, it's a high and lofty—and intricate—guessing game, especially at the consumption end, made even more difficult by the uncertainty of what foreign countries will need from us as they get back on to their own legs.

There are as yet no detailed figures; but from those that are now available it has become perfectly clear that our own consumption is going to be considerably lower than it was last year and that European countries, especially Great Britain, are going to take less from us.

Who is going to get hurt? The grower? The speculator? The refiner? The manufacturer? The householder? Anybody?

The answer to that is still ahead.





# In the Back of the Customer's Mind

By OTIS R. TYSON



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"Most people like to buy from salespeople who know something about the merchandise they are trying to sell"

**T**HE TROUBLE with most of us retailers is that we don't know our customers," said a department store owner with whom I was discussing the retail business in general not long ago.

"I mean psychologically, not personally," he went on to explain. "We don't know what they think of our stores, our policies or our methods. We know only that if we drive hard enough we can keep a sufficient number of them coming to hold our volume or possibly to increase it a little each year. I've often thought that it would be much easier if we had a fairly accurate idea of what those whom we seek to attract think a retail store should be.

"I used to keep in fairly close touch with my trade when I had a twenty-five foot store way back in the nineties. I waited on more than half the people myself. But now it's different. I don't talk personally to one customer a month. I've drifted away from the selling end of my own business.

"My department managers spend so much thought and energy on the buying end that there is very little of either left for the proper direction of selling. They do nothing toward the controlling of what goes on between salesperson and customer. They leave it all to salespeople who are usually employed after a half-hour interview, given a salesbook and rushed to the department. They are told to get the money—that's all."

My interest quickened as he proceeded,

"**I**F I RAN a store," said the editor to himself when he first read this article, "I'd try to find out if my salesmen and women were too familiar, for I know myself that nothing irritates me more."

Which is the "why" of this and a succeeding article by Mr. Tyson on what one merchant found out when he started to inquire into what his customers think.

for I realized that there must be a story back of his remarks. I straightway angled for it.

"Yes, the point of contact is the vital spot," I ventured. "We read a lot about scientific selling these days, but it is not very much in evidence over the retail counters. As you say, the merchant of today is out of touch with his customers, sadly so; but what's the remedy? That's the question they're all asking."

"Yes, that's the question," he repeated thoughtfully. "But I know one thing: I'm going to shake off this easy-chair habit that has been growing on me in recent years. I'm going to spend at least half my time on the floor. I'm going to find out what some of our customers really think of us. It's got to be done. I made up my mind to that just six seconds after I read this letter. I'd like you to read it."

Here is the letter, which he told me I

might use, omitting the name and shifting the geography:

Today I visited your store in company with my daughter, who was in search of a dinner-gown. We were pleasantly received by the gentleman in charge and cordially approached by the saleswoman, whom I remember to have been an over-sized blonde. She gave us splendid attention; in fact, she almost hypnotized me with her studied suavity.

My daughter selected two garments from which to make a final choice. The saleswoman looked at the price tickets. One was white and one was red. She apparently made up her mind that my daughter must have the red-ticketed one; just why I cannot say. I was genuinely interested in the arguments she advanced until she began to address my daughter as "Dearie." At first I refused to believe my own ears. We of the South keep such expressions within our own families, and it so happens that my daughter was "Dearie" to her mother and me until she grew up and protested that it was time for us to call her by the name she was given at birth. In my thoughts as I look back over the years she is still "Dearie" to me.

You can imagine my feelings when I realized that this stranger, in an effort to make a paltry sale, was stooping to such a despicable familiarity. To me it was a desecration—almost a sacrilege. Had the offender been a man the matter would have been settled then and there in a manner more satisfactory to me than letter writing. As it was, I interfered in a semi-gentlemanly manner and took my daughter away with as little fuss as possible. The young lady says that I shall gain nothing by writing this letter. She agrees



that the "Dearie" habit is repulsive to all women, but says there seems to be no way of stopping it.

"A rather interesting indictment," I commented. "How do you class him? Just a fussy old fellow —"

"No, I think he deserves credit for having the courage to put into words what appears to be the thought of a great many people," he broke in. "Anyhow, he's started something; I've begun a quiet investigation. My shoppers, the scouts I send out to check up on what my competitors are doing, are now concentrating on this one thing. They are checking up my own store first. I imagine I'll have something interesting to tell you in a week or so."

The promised developments held my interest and I made a personal canvass among my women friends. The more of them I interviewed the more sure I became that the man had written the common mind in his letter to the merchant. Without a single exception they expressed resentment at over-familiarity of the average saleswoman—particularly in the major departments, such as millinery, cloaks and suits.

I went so far as to take some of them shopping with me. Evidence accumulated with practically every test. If the "Dearie" method was not used, some other form of over-familiarity or over-insistence took its place. I concluded that I was dealing with a resentment against retailers in general that has a fixed abiding place in the back of the feminine public's head. Most people like to buy from salespeople who are ambitious enough to try to sell them something, and who know something about the merchandise they are trying to sell. They like to get the facts in a confident, convincing way. But they flare up with resentment when a salesperson "gets fresh."

When business lags the usual cry from all departments is for more advertising, price drives and sales. The real trouble may be that too many sales are lost through the many evils that lurk in undirected, unschooled and thoughtless methods of selling. Singled out, this list of evils would include indifference, trickery, over-insistence, undue familiarity, attempts at substitution, ignorance of the merchandise, and plain insolence.

This condition being admitted, a natural conclusion is that a portion of the average advertising appropriation might well be diverted to the proper training of salespeople and the proper direction of their efforts.

The above paragraphs may appeal as being unfair to those who sell merchandise

the way it should be sold, and to them we gladly give due recognition. But the whole problem revolves around the rapid turnover in all classes of store help.

When the opportunity came for me to make my return call at the department store, the chief was ready for me.

"The man from the South was right," he began. "Most of the saleswomen in garments and millinery are guilty as charged. But the outstanding disclosure of my investigation is the fact that these departments have been selling only about four out of every ten people who enter them. A large percentage of these sales is lost because of offensive familiarity and over-insistence. I've started something of a reform. Here's a copy of the bulletin I sent to those departments."

It was a definite command to cease using endearing terms of every nature, the reason for the order not being overlooked. Quite as vigorous was the paragraph on over-insistence in the sale of special commission merchandise. He had discovered in his investigation that it was often next to impossible for a customer to get

paying special commissions for the sale of slow-moving and undesirable merchandise. We cut the price to the customer just that much deeper, and we've raised the salary scale to make up for any loss that the salespeople might sustain."

"But what will you do if the undesirable stuff doesn't move?"

"If price and a reasonable aggressive sales effort won't sell the odds-and-ends we will call in a second-hand dealer. Better sell them to him at a fraction of their cost than to force them on our customers—or try to force them and lose our customers."

One untouched phase of the problem came into my mind and I put the question to him:

"How about letting the public know of these important changes in your policies?"

Seems to me there would be great possibilities in their exploitation."

"I was just waiting for you to bring up that subject," he said. "Here's the answer." He handed me the proof of a newspaper advertisement. "That goes in the paper tonight and tomorrow morning," he explained. "We waited until we were sure the new program would stick."

Here's the text of advertisement:

#### GOOD-BYE, DEARIE

The attention of the management was recently called to an obnoxious practice which has been permitted for years in our own as well as other retail in-

stitutions. We refer to the habit of addressing the customer as "Dearie" and other offensive familiar terms.

It is now clear to us that this method of selling is offensive and not in keeping with the high ideals upon which this business was founded. We have therefore banished "Dearie" and all other endearing terms from the vocabulary of our salespeople.

We have also discontinued the common custom of paying extra commissions to salespeople as a reward for selling slow-moving and undesirable articles. We propose to offer our merchandise strictly on its merits, the firm being represented by amply paid salespeople who have been instructed and trained to avoid presumptuous familiarities and offensive over-insistence.

"So there you have something as tangible as the result of my determination to get in touch with the details of my business."

I surveyed this man's business a few weeks later. By that time the changes in his policies had been comprehended by the public. His business was holding steady and his department managers told me that they had very little trouble in keeping their stocks clean and that their dealings with the second-hand man were negligible.



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Too much frippery and adornment may stand in the way of successful selling.



The modern business woman has proved the value of conservative dress in meeting her customers.

even a glimpse of garments that were not on the p. m. list. In all, it was a forceful plea for an upward move in the character of the store's selling methods.

"How'd they take it?" I asked.

"Very much to heart—most of them—at first," he replied. "But even the old-timers have already begun to

see the light. Some of them are actually enthusiastic over the new order of things."

"How about the customers?" I inquired.

"We are getting reaction—slow but unmistakable," he answered. "The atmosphere of the departments 'before-and-after' is as different as the climates of Kamchatka and Palm Beach. We've gone a step further since that bulletin was issued; we've stopped



# Expert Packing for Export Trade

By A. W. FERRIN

Trade Commissioner, Department of Commerce



A shipment from America may be jolted for part of its journey in an Indian bullock cart—



Or carried like this by man-power up the landing stage of a port like Hankow—



Or trusted to the tender mercies of temperamental Chinese camels—



Or even reach a destination by way of the heads of Indian porters of the gentler sex

THERE IS an old story of a lady traveling to a destination which required several changes of trains who asked a porter at the start of her journey if he thought her trunk strong enough to reach the end of it in safety. "Well, madam," replied the porter, "it will get this at Smithtown," as he banged the trunk down on the platform, "this at Jonesville," with another bang, "this at Robinson City—" with a final bang which burst the trunk into smithereens and released the lady's intimate belongings to the public view.

It would enlighten shippers to travel with their shipments, as commercial attachés and trade commissioners of the Bureau of Foreign and Domestic Commerce have been doing for the past ten years, and see what happens to their crates and bales and boxes at the various Smithtowns, Jonesvilles and Robinson Cities of the world, especially in the Orient.

Even at a port like Manila where the electric hoists and traveling cranes can pick up a case of eggs out of a shiphold and pile it in the wharfshed without cracking a shell, (though they don't always do it) goods handled in slings are subject to mishaps that, if they are not well packed, may mete to them the fate of the lady's trunk.

And in the majority of the Oriental, as well as South American ports, goods cannot be landed directly from ship to shed but must be taken ashore in lighters.

Then, perhaps they go up a river in a small steamer or a sailing junk, and at the up-river port, after going up a landing stage like this at Hankow, China, make further progress on a camel's back, or on bullock carts, or even on the heads of muscular damsels as in inner India.

Few exporters, unless they have traveled extensively and in remote regions, realize the hazards to which their wares are subjected in journeys such as that here briefly and pictorially portrayed, and the inevitable and grievous losses of merchandise that shipments not perfectly packed must suffer. At a hearing before the subcommittee of the committee on merchant marine and fish-

eries in the 67th Congress, W. W. Atterbury, vice-president of the Pennsylvania Railroad, estimated the total annual claims against the railroads at \$109,000,000, of which he said 21 per cent was due to theft and pilferage. No composite estimate of losses on marine shipments was possible, though one marine insurance official stated that eight companies in which he was interested had been paying losses at the rate of \$4,800,000 a year, but if the railroad claims on goods handled within the country reach such an enormous sum as that indicated by Mr. Atterbury, what must be the total losses on four billion dollars' worth of export merchandise exported to the four corners of the earth?

Other insurance officials testified at the hearing that marine insurance rates had risen, owing to the increased risk of pilferage, theft and breakage, from nominal prewar rates, by 300 per cent to 500 per cent, and that to some destinations insurance was unobtainable at any rate; and more than one declared that while the companies willingly accepted risks at the low rates prevailing before the war they took them now under more or less compulsion and only on selected commodities, least susceptible to pilferage. It is only within a few months, in fact, that insurance companies have been writing theft and pilferage policies on certain lines of shipments to the west coast of South America.

This problem of pilferage and breakage is not peculiarly American. Reports of pilferage from all parts of the world have been really frightening, and have awakened many countries to official action. In Australia, for example, the extent of such losses has been so great as to cause the appointment of a Royal Commission to inquire into them and to suggest remedies, and to the appointment of other commissions to develop improved packing methods. The war seems to have demoralized freight handlers everywhere. Steamship companies, insurance companies, wharf authorities and others, are reducing the risks as fast as possible by concentrated care and vigilance, but all they can do will not absolve American shippers from the primary duty of seeing that their goods are packed in the most unbreakable, unpilferable manner possible.

As a result of the hearing referred to, the Bureau of Foreign and Domestic Commerce has been requested to make a thorough study into methods of packing American merchandise for shipment abroad. This work has now been begun under the direction of John F. Keeley, assistant chief of the Transportation Division of the Bureau, a man who has had many years of practical experience in the work, and the results of the investigation will



be published by the Bureau, in a series of manuals covering the major commodities. For example, manuals will be prepared on export packing of agricultural implements, automobiles, electrical equipment, iron and steel articles, machinery, paper, rubber, specialties, textiles.

These manuals will explain the proper method of construction of boxes and crates, with suggestions as to prevention of pilferage, protection against climatic changes in transit, and other factors which will enable the American exporter to place his goods in the foreign markets in saleable condition at the lowest cost. International competition has never been keener than it is now, and no element of cost can be neglected. Most foreign shipments, as one of the insurance men remarked at the hearing, are sold c.i.f., cost, insurance and freight. Improved conditions in raw material production are reducing the cost, and steamship competition is reducing the freight; insurance remains a heavy item, which only improved packing and better protection of goods in transit and on docks and wharves can lessen. The reduction in insurance rates which will follow a universal improvement in packing methods may be the very factor which will give us dominance of markets where now American goods are fighting for their place tooth and nail.

### A Laboratory for Shippers

IN carrying out the investigations outlined, Mr. Keeley is visiting about thirty of the large industrial centers, and working in active cooperation with marine insurance companies, and steamship companies, freight forwarders and the exporters themselves, so that when the work is completed it will represent the best thought on correct packing methods. One of his most important allies is the Forest Products Laboratory at Madison, Wis.

In this laboratory, which has for some ten years been elaborating tests of lumber for various purposes, machines have been developed which produce all the conceivable shocks to which an export shipment is liable.

One machine, designed to give a box or case as many bumps as it would receive in a thousand-mile journey, has just been duplicated at a big exporting electrical goods factory in New Jersey. It consists mainly of a hexagonal revolving drum, with internal ridges of wood and metal. In it a box drops six times, a meter keeping accurate count of the drops, and the drum revolves so slowly that as cracks open or the wood splits it is easy to follow the process. New cases are designed and tested until one is evolved which will come out of this torture chamber unscathed.

Another test consists of standing a box on edge and applying gradually increasing pressure or squeeze until a box is found which will withstand a pressure equal to any it may be reasonably expected to encounter in traveling around the world.

A third test consists of dropping a box from a height, repeatedly, upon a cast iron plate.

The work of the laboratory is summarized by the laboratory itself as follows:

A properly designed packing box is one which has enough strength in each part for the purpose

for which it is intended, and no more strength in any part than is necessary to balance the average strength in every other part. The data necessary for designing such a box cannot be obtained from observation of boxes in actual commercial service, because the observer sees the box only after it has completely failed. He does not see the beginning of the failures; and he does not see and consequently cannot measure the hazard which completes them.

A failure frequently bears evidence in itself of the cause of the damage; but there is no way of determining from a study of the failure the amount of force exerted by the damaging cause, and in cases where several causes have been active it is impossible to identify each of them. On the other hand, laboratory studies, made at the Forest Products Laboratory, conducted by the Forest Service at Madison, Wis., in cooperation with the University of Wisconsin, combine practical experience, which is a knowledge of the designs in use, of what lumber is available and of box factory practice, with accurate scientific tests made on the package itself, packed as in actual service and subjected to strains that approximate actual transportation conditions.

Protection against breakage and pilferage is not the only object sought by the laboratory; prevention of damage by sea and other climatic changes, packing to meet customs and other regulations, is sought by additional tests to those here described, and especial consideration is given to the particular needs of varied commodities from heavy machinery and automobiles to the humble prune tins.

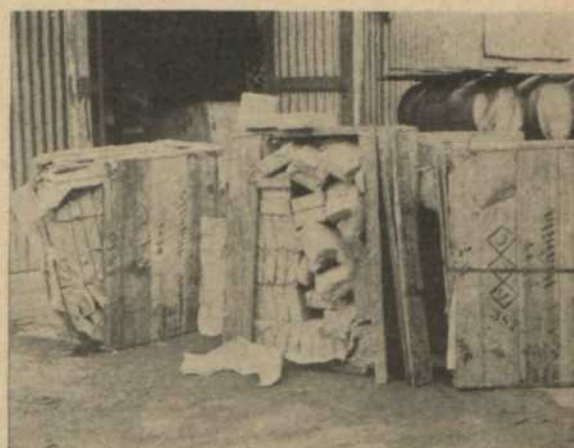
There are four styles of wooden boxes so universally used that they can be called the standard styles of export cases. Three of these have double cleated ends for heavier shipments and one has single cleat ends for lighter packages.

By the use of cleats, the ends of the box are stiffened and resist the shock which occurs when a box is dropped on a corner or when heavy packages are stowed on top of it, as often happens in the hold of a ship. In addition to this, it is more difficult to pilfer a cleated box than one without cleats. There are several types of special containers suitable for certain commodities but exporters should be careful in selecting any container of special construction before a study is made of its suitability to carry his particular product.

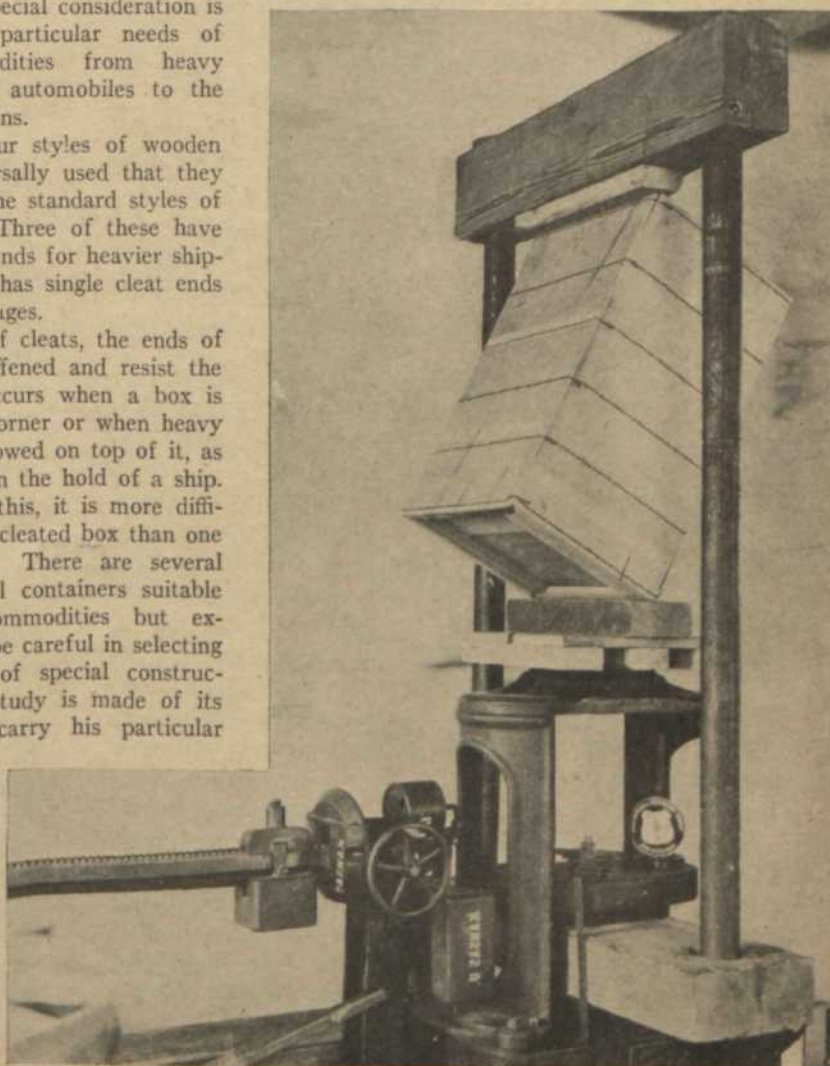
Many ingenious machines are employed to test the endurance of containers. This one is used for what is called the "pressure on the edge" test.



An American automobile at sea, near Singapore.



What happened to a shipment of paper at Manila.





# The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

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*An unusual number of decisions of the highest importance to American business have been handed down by the Supreme Court of the United States since our last issue. Which explains, if explanation were needed, why so large a proportion of these pages is devoted to legal subjects.—*  
THE EDITOR.

## The Lesson of the Linseed Case

THE LINSEED CASE was decided by the Supreme Court on June 4, and now takes its place beside the Hardwood Case of December, 1921, as an application of the anti-trust laws to particular forms of plans for open-price competition. The two cases were alike in the principles involved, the court said, and consequently the court in the new case reached the conclusion to which it had come in the Hardwood Case—that the plan was unlawful.

The Linseed Case was like the Hardwood Case, too, in that it was decided upon its own facts. There is nothing in the decision which can be taken as referring to activities of trade associations generally, even to their statistical activities. The court concentrated its attention upon the exact case before it, a case in which a man who was outside of an industry went to members of the industry and contracted with them individually for his services in return for a compensation.

Under these individual contracts each member of the industry undertook to supply information, especially statistical information, and was entitled to receive similar information supplied by other members of the industry that entered into contracts with the central person. The member entering into a contract had to post \$1,000 to \$10,000 in Liberty Bonds as a forfeit in the event he failed to keep his part of the contract, did not give prompt and accurate information, neglected to keep secret the information received, etc.

ALL PRICE lists had to be deposited with the central individual. If a member gave a more favorable quotation than his price list, he had to report by telegraph, adding name and address of person to whom quotation was made; if an order followed such a quotation, there was to be telegraphic notice. If a member made a quotation to a prospective buyer who came to an adverse decision, the member could have a report from all other concerns having contracts about any quotation or sale to this buyer any of them had made. At the end of each business day a complete report of all car-load sales had to be mailed, disclosing quantity, quality, price and terms. There was a monthly report of the product on hand not covered by contracts. There were to be monthly meetings, with a fine for non-attendance.

The declared purpose, the Supreme Court said, was to submerge the competition theretofore existing among members of an industry signing contracts and to substitute "intelligent competition," or "open competition," to eliminate "unintelligent selfishness" and to establish "100 per cent confidence"—all to the end that the members might "stand out from the crowd as substantial co-workers under modern cooperative business methods."

THE NATION'S BUSINESS

THE SHERMAN ACT, the court continued, is intended to protect the public against evils commonly incident to those abnormal contracts and combinations which "tend directly to suppress the conflict for advantage called competition—the play of the contending forces ordinarily engendered by an honest desire for gain." Apparently to prevent misunderstanding of the reference to abnormal contracts and combinations, the court quoted from an earlier case in which it pointed out that the Sherman Act "did not forbid or restrain the power to make normal and useful contracts to further trade by resorting to all normal methods, whether by agreement or otherwise, to accomplish such purpose."

Applying this discussion to the case under consideration, the court took the position that the methods used in the Linseed Case were not normal. In its opinion the contract by which the members of the industry were bound together, in the light of what was done under the contract, had a necessary tendency to suppress competition. It accordingly held there was an unlawful combination.

TO THIS decision the court added a number of observations which would seem to suggest considerations it had in mind. These observations were, in substance:

Concerns conducting independent enterprises along customary lines suddenly became parties to an agreement which took away their freedom of action by requiring each to reveal to all the intimate details of its affairs.

All subjected themselves to an autocratic bureau, which became organizer and general manager, paid it large fees, and deposited funds to insure their obedience.

Each subscriber agreed to furnish a schedule of prices and terms and adhere thereto—unless more onerous ones were obtained—until prepared to give immediate notice of departure therefrom.

With intimate knowledge of the affairs of other producers and obligated as stated, but proclaiming themselves competitors, the subscribers went forth to deal with widely separated and unorganized customers necessarily ignorant of the true conditions. Obviously, they were not bona fide competitors; their claim in that regard is at war with common experience and hardly compatible with fair dealing.

The situation here is wholly unlike an exchange where dealers assemble and buy and sell openly. The ordinary practice of reporting statistics to collectors stops far short of the practice which defendants adopted.

HOW FAR competitors may lawfully reveal to one another the details of their affairs, the court said was another matter and not under consideration in this case. The court added, however, that if there was no purpose to monopolize and there was no compulsion resulting from agreement, the individual may exercise great freedom. "But concerted action through combination presents a wholly different problem and is forbidden when the necessary tendency is to destroy the kind of competition to which the public has long looked for protection."

## State Can't Keep Its Own Gas

NATURAL RESOURCES are becoming precious, if the attention being paid to them by the states these days may be accepted as evidence. Not so long ago a number of states by their attorneys-general appeared in the Supreme Court of the United States to oppose the Pennsylvania tax on the production of anthracite coal. The Supreme Court upheld the tax.

Pennsylvania has now had occasion to go to the Supreme Court on the other side of a case. It joined with Ohio in contending that West Virginia could not restrict the sending of natural gas outside its borders. Pennsylvania and Ohio insisted that the West Virginia law interfered with interstate commerce and argued the importance to them of a supply of natural gas.

The Supreme Court on June 11 agreed with Pennsylvania and Ohio, taking the position that under the Constitution only Congress has the power to regulate interstate commerce. The court reasoned that the state had no more power to divert natural gas from interstate commerce to its domestic users than it would have, in a time of coal shortage, to require the railroads to give



preference to coal that was moving to West Virginia industries over coal which was intended for delivery in another state.

Three justices dissented, without necessarily agreeing among themselves. One thought there is nothing in the commerce clause of the Constitution, under which the authority to regulate interstate commerce exists in Congress, to prevent a state from giving a preference to its own people in utilization of natural resources found within its borders.

Another thought that the result of the case might be to cause discrimination against West Virginia users of gas in favor of people in other states. The third suggested that the proper form of relief was some equitable division by West Virginia of its natural gas with other states.

### Moving Ahead Too Fast

**I**N THIS fast-moving world, transportation takes new forms over night. The first century of steam railroading in the United States has not yet passed. Young men remember the first motor car. We are just beginning to fly.

There came to New York from Pennsylvania not long ago an elderly woman. Her home was on a farm near a city in the hard coal region.

Her trip to New York was by automobile, and what makes it unusual was that she had never ridden in a steam train. She had skipped a generation of transportation, so quickly do things come.

There are hundreds of small communities in the country which made the jump straight from oil lamps to electric lights without ever seeing gas. They had their water-made lights long before the cities quit using coal for gas and fed it into electric generators. They, too, skipped a generation.

### The Perplexed Department of Justice

**E**MBARRASSMENT is a somewhat novel motive to inspire action by the Department of Justice. Circumstances have arisen, however, which have led the department to go into court and start judicial processes which it says will get it out of a predicament.

The embarrassment has its origin, not in any sense of error but in apparently conflicting duties, and the occasion is the well-known Southern Pacific Case. Several years ago the department began proceedings under the Sherman Act against the Southern Pacific, alleging its relation to the Central Pacific was in restraint of trade.

After the Transportation Act of 1920 had been enacted the case reached the Supreme Court, which, in 1922, held there was in fact a restraint of trade and ordered the lower federal court to enter a decree severing the control held by the Southern Pacific.

The lower court did not take immediate action. Upon request of the railroad, it left the matter in abeyance while the Interstate Commerce Commission considered the new provision of the Transportation Act, allowing the commission to permit control of one road by another if it decides the control will be in the public interest. In February, 1923, the commission gave its permission for the Southern Pacific to control the Central.

The Department of Justice accordingly found itself for the time being under obligation to ask the lower federal court to follow the mandate of the Supreme Court, that control is to cease, and under an equal obligation, so far as the laws of the United States go, to support the order of the Interstate Commerce Commission, that there is to be control. The department has apparently scratched its official head in vain in an endeavor to ascertain what it is to do and on May 31 turned to the courts for light.

The federal court to which the Department of Justice presented its official difficulties came to a rather quick decision. It indicated that in its opinion the Transportation Act is to prevail, and the order of the Commerce Commission is to be

given effect. Whether the Department of Justice will accept this solution of its troubles, or will insist upon having a final word from the Supreme Court, remains to be seen.

### Kansas Industrial Court Illegal

**T**HE INDUSTRIAL RELATIONS COURT created by Kansas in 1920 did not have a sound legal basis, the Supreme Court held on June 11. The Kansas law declared that the manufacture and preparation of food for human consumption, the manufacture of clothing, the production of fuel, as well as transportation facilities and public utilities, are affected with a public interest and accordingly set up a Court of Industrial Relations with three judges having power, in the event of a dispute between employees and any concern in these fields of enterprise, to summon the parties and after hearings, and finding that the dispute might imperil the peace or health of the public, to fix the wages that were to be paid.

The purpose was to prevent interruption of operation by strikes and lockouts. In other words, the effect of the statute was to compel a concern engaged in manufacture of food or clothing, or production of fuel, to continue in its business and employment on terms fixed by an agency of the state.

Among the concerns to which the law was applied was a small packing house in Kansas City. The meat cutters' union complained to the Industrial Court against a reduction in wages made by this concern. Although the concern insisted that it had no difficulty in obtaining all the men it wanted at the lower rates and that it had been losing money, the Industrial Court prescribed a schedule of wages, limitation of hours, and overtime which would have raised the wage bill by \$1,600 a month.

The packing concern argued that all of this resulted in violation of the constitutional provision which prevents a state from depriving any person of liberty or property without due process of law. On June 11 the Supreme Court agreed with this contention. In the court's opinion, there was a curtailment of the right of the employer on the one hand, and of an employee on the other, to contract about his affairs. This right is part of the liberty of the individual guaranteed by the Constitution. Absolute freedom of contract does not exist. It is subject to a variety of restraints. But freedom is the general rule and restraint the exception. Abridgement of the right can be justified only by exceptional circumstances.

Exceptional circumstances were not shown, in the court's opinion. Since the adoption of the Constitution it has never been supposed, it reasoned, that the business of the butcher, or the baker, the tailor, the wood chopper, the mining operator or the miner was clothed with such a public interest that the price of his product or his wage could be fixed by state regulation.

Only a revolution in the relation of government to business would permit a state, as contended by the attorneys for Kansas in this case, to use a legislative declaration to clothe the common callings with a public interest that would permit their full and comprehensive regulation.

So far as the Industrial Court Act of Kansas permits the fixing of wages in the plant of the packing concern, the court accordingly held it was in conflict with the constitutional provision. In reaching this conclusion, the court, for which the Chief Justice had prepared the opinion, discussed at some length the conditions which permit regulation of rates, etc., of public utilities and maintained that its recent decision upholding the provisions of federal law creating the Railroad Labor Board with jurisdiction as to interstate railroads afforded no precedent for the action of Kansas with respect to industries preparing food.

Commenting upon its decision with respect to the Railroad Labor Board, however, it remarked that the labor clauses in the Transportation Act went to the border line of validity of such legislation, even with respect to railroads with their minutely detailed government supervision.



# Europe, and Our Merchant Marine

**N**EW ORLEANS acted as host for the Tenth National Foreign Trade Convention. New Orleans is the only city that has twice been selected for this great annual gathering of the foreign trade interests of the United States.

This convention stressed two topics: First, America's interest in an effective settlement of the French and German problems in Europe; and second, the need and feasibility of establishing the American merchant marine on the basis of private ownership and operation.

O. K. Davis, secretary of the National Foreign Trade Council, delivered the Council's Report on European Conditions. The Council is composed of 75 outstanding business men in all parts of the United States interested in one phase or another of America's foreign commerce.

The report had these things to say of reparations and allied debts:

The question for Americans to consider is what, if anything, they can do that will help to bring about the absolute, necessary restoration of good faith. The first point for examination is how, and how much Germany can pay. It is a question in which the American people are vitally concerned, although the United States waived all claim to a share in the reparations payments. . . . The question, however, of whether Germany might not be able to pay, without detriment to the creditors, 50,000,000,000 gold marks, on terms similar to those of the British debt settlement, is worthy of serious consideration. This would require annual payments on principal running from about \$50,000,000 the first year to about \$525,000,000 for the sixty-second year. All of these figures are, of course, only roughly estimated, and are put forward only as possibly suggesting a basis of settlement that might be acceptable to both sides, and so have a chance of being made effective. . . . If Germany could develop an export trade of \$2,000,000,000 it should furnish a substantial sum annually for reparations payments.

The outstanding fact for America to consider is that American visible exports heavily exceed American visible imports, and that every kind of invisible import, including investment by Americans in foreign securities, is now being utilized to pay for American exports, so that if any important part of the present imports, visible or invisible, be applied to the payment of foreign indebtedness to this country, either our exports must be correspondingly diminished, or our imports must be correspondingly increased. If the latter is not feasible, then payment of the foreign debts is not feasible, whether they be officially canceled or not, without reducing our exports or investing each year an amount equal to the payments received in the securities of the debtor nations.

In the Third General Session of the convention James A. Farrell, president of the United States Steel Corporation and chairman of the Council, sounded the other keynote of the convention in his address on "The Shipping Situation of the World."

These two main topics of the convention constitute the entire final declaration of the convention, part of which follows.

The restoration of Europe's power to produce

and consume is of prime importance to the whole world. Prior to the war, Europe with about one-fourth of the world's population consumed more than half of the world's surplus production. The stabilization of Europe which would permit the rapid restoration of that power of consumption is the immediate vital need of the commerce of the world. Whatever this country can do to help toward that result should enlist our earnest support.

With Europe already slowly on the mend, it is plain that an effective settlement of the French and German problems, which are the chief present difficulties, must greatly improve conditions and promote the welfare of the world.

Another problem of paramount concern to us as American citizens and foreign traders is that of our merchant fleet. The Merchant Marine Act of 1920 is a mandate for private ownership and operation. . . .

We approve the proposal of the United States Shipping Board to consolidate various services heretofore maintained by its ships with a view to bringing them to highest efficiency for the development of foreign trade and the profitable operation of the ships.

Ships should be sold in accord with the intent of the law where employed in services that have been developed sufficiently to give reasonable assurance to the purchasers of the possibility of continued successful operation.

Some of the services now operated under agency agreements should be taken over by those agencies and privately operated, particularly in nearby trades, where the cost of operation of foreign vessels is approximately the same as that of American steamers.

It is recognized that there are some services of importance to the National interests and the proper growth of our trade, which cannot yet be taken over by private capital. In such cases, we should not relinquish our share of the carrying trade, but these services should be continued under the present system of operation until they develop to the point where they can be maintained under private ownership.

The suggestion recently made that the Shipping Board should engage in the direct operation of its vessels is contrary to the spirit and purpose of the Act of 1920, and fraught with danger to the merchant marine.

## America's Import Trade

**T**WO other features of this National Foreign Trade Convention deserve special mention. First was the persistent note of the importance of import trade of the United States and its bearing on the export trade of the country. The now familiar remark "If we do not buy we cannot sell" was either a major or a minor text of one after another of the speakers. Crawford H. Ellis, vice-president of the United Fruit Company, in a paper entirely devoted to "The Selling Value of Imports," said:

It is an acknowledged fact that very few countries of the world were ever developed with the resources within their own particular borders, making it necessary to handle the products of other countries not only to fill the needs of its citizens for everything they might require, but also to enable the citizens of other countries to buy such over-production of our own wares as might not be needed for home consumption. This cannot be done, of course, unless the producers of other nations can sell their products and obtain

the necessary funds to purchase the surplus of our products beyond our local requirements.

The importation of merchandise into the United States naturally carries with it, exports to other countries, and imports result in exports.

In speaking of the value of imports, therefore, they are not only valuable to this country, but also valuable to every other country in the world.

Mr. Ellis made a further point of the importance of import cargo to the maintenance of reasonable shipping rates on export cargo. He said:

It goes without saying, that ocean transportation is not profitable without cargoes both ways, and the value of imports to transportation can hardly be estimated. The nearer the trade balance between two countries, the more uniform is its value to transportation. It does not pay to have steamers go from one country to another in ballast and return only one way with cargo. Imports are just as necessary an adjunct to our ocean transportation in the conduct of our business as exports; therefore The Selling Value of Imports to Transportation is not only without question, but absolutely necessary for its success.

## Open Accounts Abroad

**T**HE other outstanding line of thought developed in this convention was the need for granting credit to foreign customers. Ernest B. Filsinger, of Lawrence and Company, an export manager who speaks with exceptional experience and authority on matters pertaining to the Latin American trade, said:

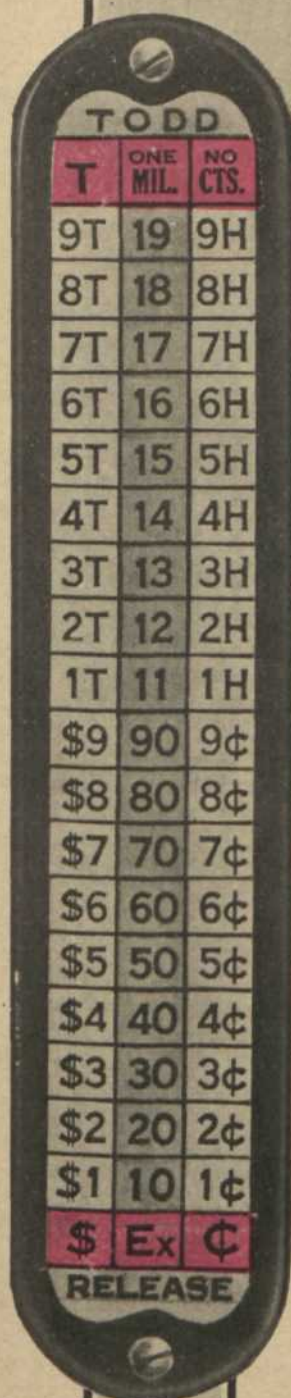
Certain American export houses and manufacturers readily grant 60, 90, and 120 days. I know of occasional instances where six months' time has been given. Ninety to 120 days is quite common. It is a fact that must be taken into account that English and other European firms have frequently done business with their customers on open account, making settlement at periods of six months or a year. They are again granting these facilities to their good clients. American houses should not be blind to this competition. Credit is required by South American buyers. Where merited, it should be granted. When the American firm enjoys a good credit it can discount its drafts or give acceptances. It can grant terms of six months, and, when necessary, can obtain a renewal of its acceptance for an equal period. There is no reason for American houses to let themselves be undersold because of the competition in terms of payment. Obviously, it is well to hold down the terms as much as possible, and in the great majority of cases a maximum of 120 days is sufficient.

A feature of the credit discussion, and in fact one of the chief features of the convention, was a play entitled, "Simp of Simpatico," in which L. R. Brown, of the Western Electric International Company, H. G. Brock, of the National Bank of Commerce, and Benjamin H. Tregoe, of the National Association of Credit Men, gave a dramatic illustration of how and how not to handle the foreign credit request of a dealer from a foreign country.

It has been announced informally that next year's National Foreign Trade Convention will take place in Boston, the first time that the convention has ever been arranged for the New England territory.



**EXACTLY THREE HUNDRED DOLLARS TWENTY CENTS**



**T**WO words at a time, "shredded" through the paper—a brand-new feature that almost doubles the speed of writing checks. You write such combinations as "nine thousand" or "three hundred," or "eight dollars" or "seven cents" with a single stroke of the handle.

## New Double-Quick Model Protectograph Check Writer

has easy reading dial (for accuracy and convenience); writes more words in less space (important for large amounts); imprints large, clean characters (see the two-color line at top of this page).

### \$10,000 Insurance Policy

Purchasers of Protectograph Check Writer and PROTOD-Greenbac Checks, either separately or in combination, receive prepaid policy covering loss or lawsuit.

Send coupon with letterhead for samples of work of Double-Quick Protectograph and PROTOD-Greenbac Checks.

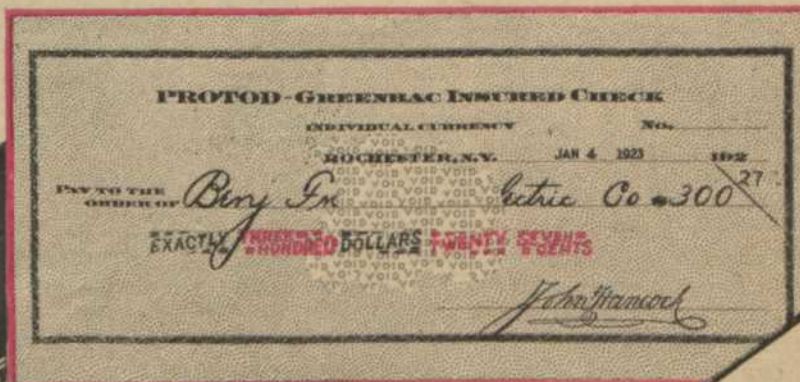
### Todd Protectograph Co., Inc.

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1174 University Ave., Rochester, N. Y.

Also Makers of the ★Star★ Adding Machine

Dial—Approximately exact size. Positive stops for such characters as "Dollars," "Cents," "No Cents," "Thousands."



PROTOD-Greenbac Forgery-Proof Checks and Drafts with the self-canceling "VOIDS." The first drop of a forger's ink remover spoils the check.

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NB-7-23



# The Romance of Package Coffee

By WM. H. UKERS

Author of "All About Coffee"

JOHN ARBUCKLE, for nearly fifty years the honored dean of the American coffee trade, pioneer package-coffee man, sometime coffee king, sugar merchant, philanthropist, and typical American, came from fine, rugged Scotch stock. He was the son of a well-to-do Scottish woolen-mill owner in Allegheny, Pa., where he was born July 11, 1839. He often said he was raised on skim milk. He received a common school education in Pittsburgh and Allegheny. He and Henry Phipps, the coke and steel head, are said to have occupied adjoining desks in one of the public schools, Andrew Carnegie being at that time in another grade of the same school. He had a strong bent for science and machinery; and, although he chose the coffee instead of the steel business for his career, the basis of his success was invention. He also attended Washington and Jefferson College at Washington, Pennsylvania.

The Arbuckle business was founded at Pittsburgh in 1859, when Charles Arbuckle, his uncle Duncan McDonald, and their friend William Roseburg, organized the wholesale grocery firm of McDonald & Arbuckle. One year later John Arbuckle, the younger brother of Charles Arbuckle, was admitted to the firm, and the firm name was changed to McDonald & Arbuckles. McDonald and Roseburg retired from the firm a few years later, leaving the business in the hands of the two youthful, hopeful and energetic brothers, who under the firm name of Arbuckles & Co., soon made their firm one of the important wholesale grocery houses in Pennsylvania.

Although little thinking at the time that their greatest success was to be achieved in coffee, and that a new idea of one of the partners—that of marketing roasted coffee in original packages—would make their name familiar in every hamlet in the country, yet the first two entries in the original day-book of McDonald & Arbuckles record purchases of coffee.

Prior to the sixties coffee was not generally sold roasted or ground, ready for the coffee pot. Except in the big cities, most housewives bought their coffee green and roasted it in their kitchen stoves as needed. John Arbuckle, having become impressed with the wasteful methods and unsatisfactory results of this kitchen roasting, had already begun his studies of roasting and packaging problems, studies that he never gave up.

How, first to roast coffee scientifically, and then to preserve its freshness in the interval between the roaster and the coffee pot, continued to be an absorbing study until his death. The range of his work may be illustrated by reference to his first and his last patents. In 1868 he patented a process of

glazing coffee, which had for its object the preservation of the flavor and aroma of coffee by sealing the pores of the coffee bean.

Thirty-five years later he patented a huge coffee roaster in which, more closely than in any other roaster, he felt he could approach his ideal of roasting coffee—that ideal being to hold the coffee beans in suspension in super-heated air during the entire roasting process, and not to allow them to come in contact with a heated iron surface.

By 1865 John Arbuckle had satisfied himself that a carefully roasted coffee, packed while still warm in small, individual containers, would measurably overcome the objections to selling loose coffee in a roasted state. So in that year, although not without the misgivings of his elder brother, and even in the face of the ridicule of competitors, who derided the plan of selling roasted coffee "in little paper bags like peanuts," Arbuckles &

Co. introduced the new idea, namely, roasted coffee in original packages. The story of the development of that simple idea, which soon spread from coast to coast, and of how it laid the foundations of a great fortune, is one of the romances of American business.

Although Osborn's celebrated Prepared Java Coffee, marketed in the early '60's, appears to have been the original package coffee, much of the fame attached to the name of Arbuckle comes from its association with the Ariosa coffee package, which was the first successful national brand of package coffee. It was launched in 1873. The Ariosa premium list (premiums have been a feature of the Arbuckle business since 1895) includes a hundred articles. Almost anything from a pair of suspenders or a toothbrush to clocks, wringers and corsets may be obtained in exchange for Ariosa coupons.

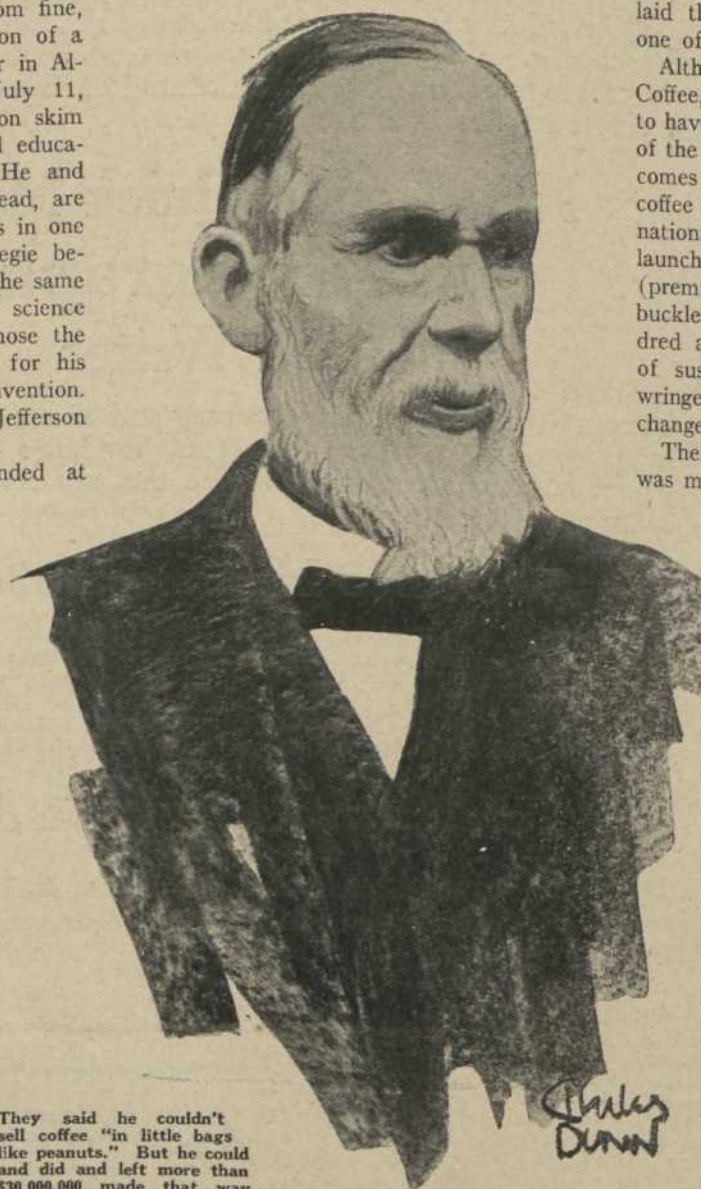
The common belief that the name Ariosa was made up from the words Rio and Santos (said to be component parts of the original blend) is erroneous. It was arbitrarily coined, though it is not known what considerations prompted it. One story has it that the "A" stands for Arbuckle, the "rio" for Rio, and the "sa" for South America.

Early in the seventies the great business opportunities of New York City had attracted the two brothers, and a branch was established in New York in charge of John Arbuckle, the main business in Pittsburgh being left in the care of his brother Charles. The growth of the New York Branch soon made it necessary for Charles Arbuckle to leave the Pittsburgh business in charge of trusted employees and to come to New York.

In time the coffee business of the New York house overshadowed the grocery lines, and the latter were abandoned there, so that the entire energy of the firm

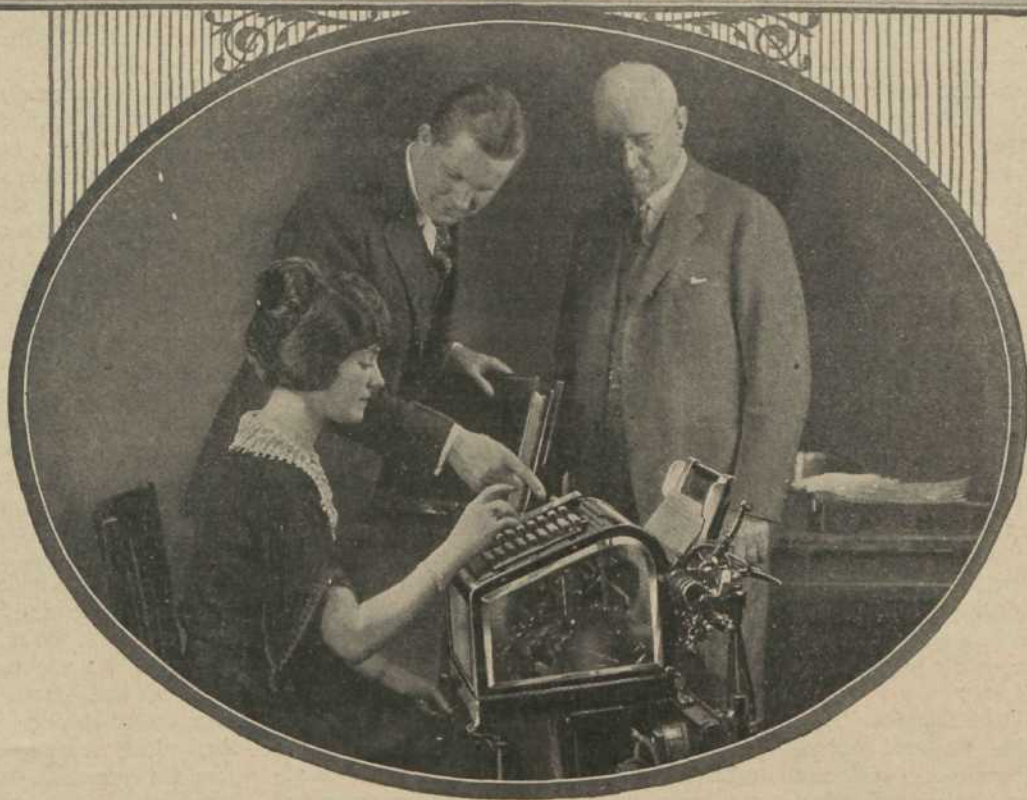
in New York might be devoted to the coffee business, which thenceforth was operated under the firm name of Arbuckle Bros. The Arbuckle coffee business, which began with a single roaster in 1865, had eighty-five machines running in Pittsburgh and New York by 1881.

Charles Arbuckle died in 1891, and John Arbuckle admitted as partners his nephew, William Arbuckle Jamison, and two employees, William V. R. Smith and James N. Jarvie, the business continuing under the former name of Arbuckle Bros. The most important step taken by the firm while thus constituted was its entrance into the sugar-refining business in 1896. That entrance had to be forced against the bitterest opposition of a so-called sugar trust, and brought on a "war" signalized by the most ruthless cutting of prices of both coffee and sugar. This war was costly to both sides; but when it had ended, Arbuckle Bros.



They said he couldn't sell coffee "in little bags like peanuts." But he could and did and left more than \$30,000,000 made that way.



BETTER FIGURES *make* BIGGER PROFITS

## The installation runs smoothly from the start

**W**HEN your Burroughs machine is delivered, the Burroughs representative personally supervises the installation. Your new plan of operation *must* run smoothly before his task is done. In fact, it frequently happens that new economies, new sources of profit are found when the installation is made.

As Joseph V. Martin of Martin-Martin, retail men's wear, of St. Louis, Mo., says:

"We owe a great debt to the Burroughs Sales Service. The machine wasn't just brought to us and left here. No, sir! It was installed by the Burroughs man and so was the system and *both of them were installed right*. Even now the Burroughs salesman drops in to see how we are getting along and to make suggestions. That is real service—it certainly gives me a whole lot of confidence in the Burroughs Adding Machine Company and their product."

Burroughs Sales Service is one of the factors that has helped to make Burroughs the standard figure machine equipment and the largest institution of its kind in the world.

# Burroughs

ADDING ~ BOOKKEEPING ~ BILLING ~ CALCULATING MACHINES

WHEN YOU BUY A BURROUGHS YOU BUY MORE THAN A MACHINE



remained unshaken in the preeminence of their package-coffee business and had acquired also great publicity and a fine trade in refined sugar.

Arbuckles were always large consumers of sugar in connection with their coffee glaze, and having introduced the package sugar idea with their customers some years before, they at last made up their minds to refine for their own needs and thus to save the profits paid to "the Havemeyers." It is generally conceded that John Arbuckle's shrewdness and business sagacity in having previously acquired the Smyser patents on a weighing and packing machine, and his control of it, really led to the coffee-sugar war.

"This packing machine," said the *Spice Mill*, when Henry E. Smyser died in 1899, "puts him (Smyser) with the greatest inventors of our day."

The sugar trust met the Arbuckle challenge by invading the coffee-roasting field. This they did by securing a controlling interest for \$2,000,000 in one of the largest competing roasting plants in the country, that of the Woolson Spice Co., of Toledo, Ohio, that had in the Lion brand, a ready-made package coffee wherewith to fight Ariosa.

The reorganization of the Woolson Spice Co. in 1897, when A. M. Woolson was relieved of the office of president, disclosed, among others, the names of Hermann Sielcken in close juxtaposition to that of H. O. Havemeyer on the board of directors. Both men helped to make coffee-trade history.

In two years John Arbuckle's model sugar refinery in Brooklyn was turning out package sugar at the rate of five thousand barrels a day. The Woolson Spice Co. was credited with spending unheard-of sums of money in advertising Lion brand coffee. The eastern newspaper displays alone exceeded anything ever before attempted in this line. However, many people are of the opinion that it was a tactical error on the part of the sugar interests to spend so much money advertising a Rio coffee in the central and New England states, while John Arbuckle was confining his activities to the south and the west, where there already existed a Rio taste among consumers.

The legal fight which the Arbuckles carried on with the Havemeyers for the control of the sugar business in this celebrated coffee-sugar war is said to have cost millions on both sides.

Eventually the Havemeyers were glad to be relieved of their coffee interests, but John Arbuckle continued to sell both coffee and sugar.

When John Arbuckle died at his Brooklyn home, March 27, 1912, he had been ill only four days. His estate in New York was valued at \$33,000,000.

W. V. R. Smith and James N. Jarvie retired from the firm in 1906; and John Arbuckle and his nephew, W. A. Jamison, continued it as sole owners and partners until Mr. Arbuckle's death in 1912. Mr. Arbuckle died childless and a widower, leaving as his only heirs his two sisters, Mrs. Catherine Arbuckle Jamison and Miss Christina Arbuckle. Mrs. Jamison is the widow of the late Robert Jamison, who had been a promi-

nent dry-goods merchant in Pittsburgh. William A. Jamison is her eldest and only living son. Following the death of John Arbuckle a new partnership was formed in which Mrs. Jamison, Miss Arbuckle and Mr. Jamison became the partners and owners; and that partnership, without change of name, continues. Probably there is no other mercantile establishment of similar size in the country that is carried on as a partnership and none which after more than sixty years is so exclusively owned by members of the immediate family of its founders.

### The Arbuckle Plant

TO operate the world's greatest coffee business is no small undertaking; and when this is coupled with an important sugar-refining business and a waterfront warehouse-and-terminal business, plenty of room is needed. So we find the plant along the Brooklyn waterfront occupying an area of a dozen city blocks. An idea of the extent and diversity of the activities of the plant may be gained from a brief reference to the utilities, and the trades, and even the professions, that are required to make the wheels go round.

To ship more than one hundred cars of coffee and sugar in a single day calls for shipping facilities that could be had only by organizing a railroad and waterfront terminal, known as Jay Street Terminal, equipped with freight station, locomotives, tugboats, steam lighters, car floats and barges. City deliveries of coffee and sugar call for a fleet of thirty-five large motor trucks that are housed in the firm's own garage and kept in repair in their own shops. Although motor trucks are fast replacing the faithful horse, and the time will never come again when Arbuckle Bros. will boast of their stable of nearly two hundred horses that were generally acknowledged to be the finest string of draft horses in the city, some fifty or sixty of their

faithful animals still are in harness; and so the stable, with blacksmith shop, harness shop, and wagon-repair shops, are serving their respective purposes, though on a reduced scale.

The barrel factory, with a daily capacity of 6,800 sugar barrels, is located about a mile away, where barrel staves and heads are received from the firm's own stove mill in Virginia, made from logs cut on their own timber lands in Virginia and North Carolina. A more self-contained plant would be hard to imagine, and so we find that even the last activity in its operations—that of washing and drying the emptied sugar bags—is also provided for. That this is "some laundry" goes without saying, when it is recalled that in the busy sugar season the firm dumps from eight to ten thousand bags of raw sugar per day, and that these bags are washed and dried daily as emptied. A huge rotary drier of the firm's own design does the work of about three miles of clothes lines.

Even after the coffees have been sold and paid for, there still remains an important task, and that is to redeem the signature coupons which the consumers cut from the packages and return for premiums. Lest some regard this as an insignificant phase of the business, it may be stated that in a single year the premium department has received over one hundred and eight million coupons calling for more than four million premiums. These premiums included 818,928 handkerchiefs; 261,000 pairs of lace curtains; 238,738 shears; and 185,920 Torrey razors. Finger rings are perennial favorites, and so insistent is the demand that Arbuckle Bros. are regarded as the largest distributors of finger rings in the world. One of their premium rings is a wedding ring; and if all the rings of this pattern serve their intended purpose, it is estimated that the firm has assisted at eighty thousand weddings in a year.

## Hat Buying Here and in England

A MAN who attended the meetings of the International Chamber of Commerce came back by way of England. He wanted a hat, and an acquaintance, who had lived for years in England, suggested a place to go.

The shop was small and somewhat dingy, but its window held a hat which appealed. An old man was the only attendant.

"Wait a moment," said the shopkeeper, "and I'll bring down a hat like the one in the window." Bringing down the hat meant a trip up a flight of stairs in the corner of the shop, and while the proprietor was gone the American looked about the place. There were hat boxes on the shelves, but no hats were on display, except in the window. Presently down came the proprietor with the hat. It seemed to be what the American wanted, but he asked to see some other colors. Back up the steps went the shopkeeper, and down he came with more hats.

The purchase was made, and while the hat was being wrapped the American made some inquiries regarding the business. He learned with astonishment that the hat store had been operated for more than a hundred years;

that the present proprietor was the grandson of the founder, and that most of the stock of hats had been kept on the floor above ever since the business had been started.

"Don't you find that there is a handicap in your location on this back street?" asked the American.

"No," said the shopkeeper, "I don't think so. You see most of my customers are army and navy people and government employees. The men who buy hats from me today are the grandsons of the men who bought their hats here from my grandfather. There are men living in London who have come here for their hats for the last fifty years. A change in location, I think, would hurt, rather than help, my business."

The visitor continued his questioning and found that few of the hatter's customers paid cash for their hats, and that the practice was to send out quarterly bills.

"It is seldom," said the hatter, "that we have difficulty collecting an account."

And it is this very difference in buying habits that the American finds he must meet if he plans to sell goods abroad.



"THEY ARE HAPPY MEN WHOSE NATURES SORT WITH THEIR VOCATIONS"—BACON



## THE THINGS MEN LIVE FOR

**THIS** yearning of every man to be his own boss—

To work, not in drudgery but with enthusiasm, for himself—

To awake in the morning with the thought: This day is my own; whatever I make of it is mine—

For these things most men live. The hope of them is never wholly put away.

That the average man can without difficulty realize this hope has been demonstrated nowhere more convincingly than in the great poultry regions of the Pacific Northwest.

Here are thousands of happy, prosperous men and women who came, without large means or expert knowledge, in quest of personal independence, and found it—in a few acres of land and a flock of poultry.

Whole communities of them you will find—hundreds of families living on their little farms. They own the land they live on, with its orchard and truck garden, its grass and flowers and shrubbery. They own the houses they live in, with their electric lights, telephones, baths and sun parlors.

From their flocks of splendid pure-bred poultry, a good income. From their land, vegetables, fruit and berries for their tables.

From the cow they usually keep, milk and butter. There is no rent to pay.

They work in the open air and the sunshine, yet are usually within easy reach of the city. They enjoy a gloriously mild and healthful climate. They are *building*—for themselves and their children. They know the zest of life because their lives are their own.

Nowhere in the United States are conditions so favorable to highly successful poultry farming as in large areas of the Pacific Northwest. The climate is mild and even. There is a remarkable freedom from disease among fowls. The housing

problem is minimized. And the result is a remarkable egg production, in winter as well as summer months.

In parts of the Pacific Northwest large co-operative associations collect, grade and market the eggs, which are in steady demand at top prices on the eastern market. One of these associations alone did a business last year of \$3,000,000 for its members.

Poultry farming in the Pacific Northwest has been organized on the most scientific, highest-paying basis. Yet no man of modest capital need hesitate to make a start in it. If you have determination and are willing to learn, you will hardly fail to attain the success that thousands have already won.

Moreover, the swift development of a young, rich region's vast resources will contribute directly to that success. The Pacific Northwest is growing five times as fast as the rest of the United States. You will grow with it. You will share the fruits of the great future.

### Write for free Book

If you want further reliable information on poultry raising in the Pacific Northwest and how to make a start in it, write for the free booklet, "A Business of Your Own in Poultryland." Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.

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To the Pacific Northwest the Burlington, Northern Pacific & Great Northern Railroads are dedicated—to its service and development, present and future

Burlington  
Route



CHICAGO BURLINGTON & QUINCY R.R.  
NORTHERN PACIFIC RY.  
GREAT NORTHERN RY.

To the Pacific Northwest  
THE LAND OF OPPORTUNITY



# What We Have Done to the Railroads

By CHARLES FREDERICK CARTER

ANY MAN who knows how to make a pint jar hold a quart can hear of something to his advantage by applying at the nearest railroad office. For years railroad men have been trying to cram a quart of transportation into a pint of facilities, but, somehow, they can't seem to get the hang.

For weeks during the fall of 1922 an average of nearly a million cars of freight were loaded weekly. To get an idea what a million cars mean, try to visualize in your mind's eye thirty-two unbroken lines of cars 225 miles long, enough to make a solid brown band 280 feet wide stretching from New York to Washington; or two unbroken lines of freight cars reaching from New York via Los Angeles and San Francisco nearly to Portland, Oreg. Yet in spite of this almost incomprehensible feat, 400 grain elevators in the state of Kansas alone were stuffed to the roof with grain and then shut down because the railroads couldn't furnish cars to haul it away, according to the chairman of the State Public Utilities Commission.

In Montana conditions were even worse; for not only were the elevators filled and shut down, but grain was heaped on the ground along the sidings, exposed to the weather, in danger of total loss and certainly of substantial damage. On the Pacific slope fruit rotted in the orchards for the lack of cars to move it to waiting markets. These were not exceptional cases but were typical of conditions everywhere. The roads were loading 27 per cent more grain and 10 to 40 per cent more freight of other kinds than in 1921, but they couldn't begin to meet the demand.

The Illinois Public Utilities Commission became so wrought up over the freight congestion in that state that it made a rush trip to Washington, telegraphing for an appointment with the Interstate Commerce Commission to petition for relief.

## The Farmers, and the Rest of Us

THIS inability to move the crops affected more people than the farmers. It reacted on the country banks, then on the city banks, and finally on the central banks. It affected the country merchants, who couldn't sell their goods because the farmers were not only losing money but could raise no cash at all for the time being, owing to their inability to ship their crops, and so were reducing their purchases to bare necessities that could be obtained on credit. This reached back through the jobbers and wholesalers to the factories and through the pay envelopes of their employees to the city retailers.

In the East conditions were worse because that is the focal point of business. Here the roads were so choked with freight that practically all of them announced embargoes so that approximately all traffic was forbidden to move until it received specific permission from that autocrat, the General Freight Agent.

This led to strange incidents. In one that

came to my attention a small manufacturer had been trying for weeks to obtain material to keep his factory going. He exhausted every expedient that ingenuity could suggest, with no result. He was about to shut down and dismiss his employees when he bethought him that he was acquainted with the press agent of one of the roads. To that personage he told his troubles. The press agent promised to try to get the material through. He was successful. How he did it no one knows but himself, and he will not tell. In another case a pickle manufacturer humbly petitioned for the privilege of shipping a car of his product, with no little assurance, for pickles are supposed to be food, and food products were theoretically entitled to preferred movement.

"Yes, I suppose pickles are food," was the reply. "But could you live on an exclusive diet of pickles? Nothing doing."

## Whose Fault Is It?

BUILDING materials were a sort of second preferred stock, being given priority over other materials after enough elementary food had been moved to keep people alive. Next to food people are supposed to need shelter, and the building season was drawing to a close. In practice building materials failed to move with such enthusiastic unanimity that builders on the eastern seaboard united in a protest to the Interstate Commerce Commission. They requested that building projects aggregating \$300,000,000 had been held up for lack of materials while carrying charges were eating up prospective profits. Much more to the same purpose might be related indefinitely, but why harrow up painful memories by repeating what every American shipper knows?

Naturally the question suggests itself, if the railroads have not a plant capable of handling the nation's business, why do they not provide a bigger and better one? The answer is that you would not let them. Yes, yes, you! you!

You and I and the rest of us elected representatives to Congress and the legislatures who, between them, have tinkered and fussed with the railroads and dropped monkey wrenches and things in the machinery until the wonder is that they can function at all. We stood supinely by while the crime was committed; we are equally guilty with the Hons. Demmy Gogg and Ignor Ammus, who actually drew and enacted the laws which have arrested railroad development.

For the national railroad system was still growing lustily when the legislative marplots really began to get busy. Railroad growth then immediately began to slow up, came to a full stop and has stood still ever since. Why, in some respects they have actually gone backward—progressed like a crab. If the railroad situation were to be expressed in a graphic diagram, it would be found that

the curve representing railroad development dropped down in exact proportion to the rise in the regulation curve, then turned to the horizontal and finally doubled back on itself like a fishhook.

Meanwhile, national progress had acquired such great momentum during the era of railroad building, made possible by a wiser attitude toward railroad corporations, that it shot far beyond available transportation capacity, if that term be understood to mean more than the irreducible minimum essential to bare existence. Executive genius has performed well nigh incredible feats in increasing efficiency in the use of available facilities, but there is a limit to what can be done without a decided extension of the existing transportation plant. Until that extension is provided American industry will continue to be muscle-bound by the lack of adequate railroad facilities.

In 1910 the United States was still predominantly agricultural, with 54.2 per cent of the population living in the country. Freight moved in that year averaged 11.16 tons per capita. Ten years later the country had become predominantly industrial with 51.4 per cent of the population living in cities and towns. This increased the demand for transportation. Food, raw materials and finished products had to be supplied not merely in larger quantities, but they had to be hauled longer distances, so that in 1920 the freight movement averaged 12.89 tons per capita, an increase of 16 per cent in volume in a single decade, while, owing to the longer haul, ton-miles increased 62 per cent.

That would have been a fine thing for everybody if the railroads had been permitted to share in the general prosperity so that they could have kept pace with the growth of the country. But their income and expenses were both fixed by law, which so nearly wiped out the possibility of profits that growth became out of the question. In all important particulars complete control of the railroads through public authority was established.

## Regulation With a Vengeance

THE rates that they are permitted to charge are established by law enforced through the Interstate Commerce Commission and by the various state commissions. A railroad may not even reduce a rate in an emergency to move perishable freight and thus save it from loss. Once a rate is reduced it is too difficult to get it up again to encourage reductions. Besides, every change in rates is automatically held up by the Interstate Commerce Commission, so that the occasion for an emergency rate passes before it can be put in effect.

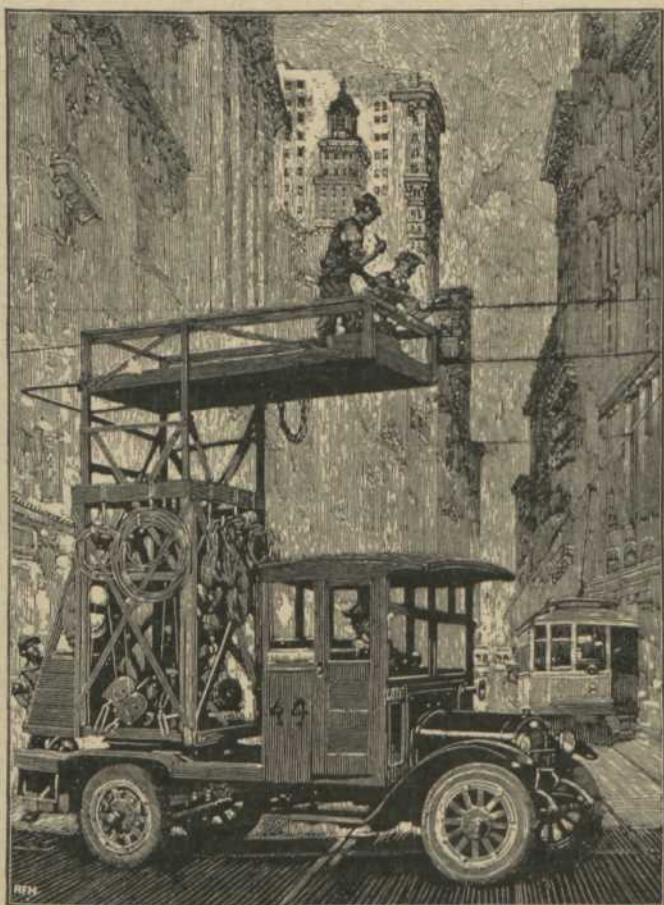
The kind and character of equipment the railroads can use is fixed by laws which in their meticulous details and the manner of their enforcement sometimes reach the ex-



# How GMC Regards "Used Trucks"

*Selling New GMC Equipment  
and "Buying" Old Trucks  
are Considered Separately.*

"GMC TRUCKS ARE  
SEVEN STEPS AHEAD"



Two distinct transactions are undertaken in the sale of a GMC truck to a customer who is replacing other truck equipment with a new GMC.

The customer buys, for a remarkably low list price, a motor truck of the finest quality and refinement—one capable of doing a greater amount of work for a long and uninterrupted period because of its particular and exclusive features of design.

The representative of the General Motors Truck Company, in turn, takes in from the customer a used motor truck—paying for it the fair value that it actually represents as a medium of transportation.

There is no chicanery in such a transaction. There is no possibility of surplus price being camouflaged as "trade-in-value."

Nor should there be. For, just as the GMC price represents the actual physical cost of the motor truck—plus a fair profit, so the GMC evaluation of a "used truck" must be limited by the actual value of the truck in terms of the work yet left in it.

Only on such a basis can enduring and permanent business be established and maintained—business such as the nation associates always with GMC.

**GENERAL MOTORS TRUCK COMPANY**  
Pontiac, Michigan

Division of General Motors Corporation

GMC Truck Chassis list at the factory as follows:  
1-Ton, \$1295; 2-Ton, \$2375; 3½-Ton, \$3600;  
5-Ton, \$3950. Tax to be added

# General Motors Trucks

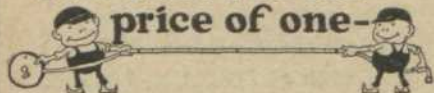




## BLAW-KNOX STANDARD BUILDINGS

Copper-Bearing - Galvanized - Steel

Two feet for the  
price of one—



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treme of absurdity. A United States District Court held that when a number of cars were found to have defective brake equipment they must not be moved to a repair shop, but the shop must be moved to the cars. The Pennsylvania Railroad was actually fined for reversing the process and moving the cars because they happened to have wheels while the shop did not.

Long before the Labor Board was established various laws were enacted which took working conditions out of the hands of railroad managements and placed them under control of law, like the fatuous "Full Crew Law," which has cost millions of dollars with no benefits whatever except to the fortunate trainmen who were provided with jobs not connected with the inconveniences of work. Now the Labor Board prescribes wages, rules and working conditions.

### "Prescribed by Law"

**M**ETHODS of financing are prescribed by law. As an example of the beneficent working of the law, the Indiana Harbor Belt railroad, a switching and terminal belt line in the suburbs of Chicago, bought a small bit of real estate, giving in part payment a note for \$2,000. When the note fell due the road wanted to renew it. Affairs had gone too far to allow the management to back out before it was discovered that under the law the drawing up of formidable documents, and finally a trip to Washington by an attorney and an official or two, were involved at an ultimate aggregate cost of more than the face of the note.

All details of accounting are fixed by law, including the preparation of quantities of reports to the Interstate Commerce Commission and the Public Utility Commission of all the states in which the road operates.

The terms of the contract between the carrier and the shipper are fixed by law.

Grade separation, train schedules, use of terminals, leasing of lands, purchase, construction, sale or abandonment of tracks are regulated by law. If a branch proves unprofitable, or if the expense of keeping a station open amounts to more than the gross receipts, the branch or the station cannot be abandoned as a private business can. The road must apply to a public commission, undergo expense and delay, and in all probability be ordered to continue to lose money. On the other hand, a railroad may not take advantage of an opportunity to undertake what seems like a profitable venture without first obtaining permission from a public authority.

The Interstate Commerce Commission supervises the physical operation of the railroads and is even empowered to take control of them in time of stress.

The net result of enforcing by law an irreducible minimum of income and imposing expenses by statutory authority without responsibility for results upon a highly complex technical industry was exactly what might have been foreseen. That is to say, the operating ratio, the proportion of railroad income absorbed by operating expenses, rose from 66.72 per cent in 1909, before regulation had found its stride, to 94.38 in 1920 and

82.71 per cent in 1921. That leaves just 17.29 per cent of revenues out of which to pay taxes, amounting in 1921 to \$277,882,534, and interest on debts \$498,274,335 and numerous lesser items. Now see if you can tell in three guesses why the nation's railroad plant has not been extended.

Many profess to believe that a drastic reduction in rates would stimulate traffic. The bigger the volume of business the greater the profits, you know. But, somehow, that good old rule doesn't seem to apply to railroads. Eastern roads with densest traffic showed an operating ratio of 84.63 per cent in 1921 as compared with 82.71 for the whole country. The margin was greatest where traffic was lightest; i.e., in the western district, where the operating ratio was 79.86 per cent. The eastern roads are paying a high price for trying to pour a quart of traffic into an inelastic jar.

Although the views of railroad executives on regulation will be given at some length on a future occasion, it may be well to say here, to forestall misapprehension, that they consider some degree of regulation as essential for the railroads as for other interests. At the same time they maintain that four helpings of mince pie are rather more than plenty for a delicate stomach.

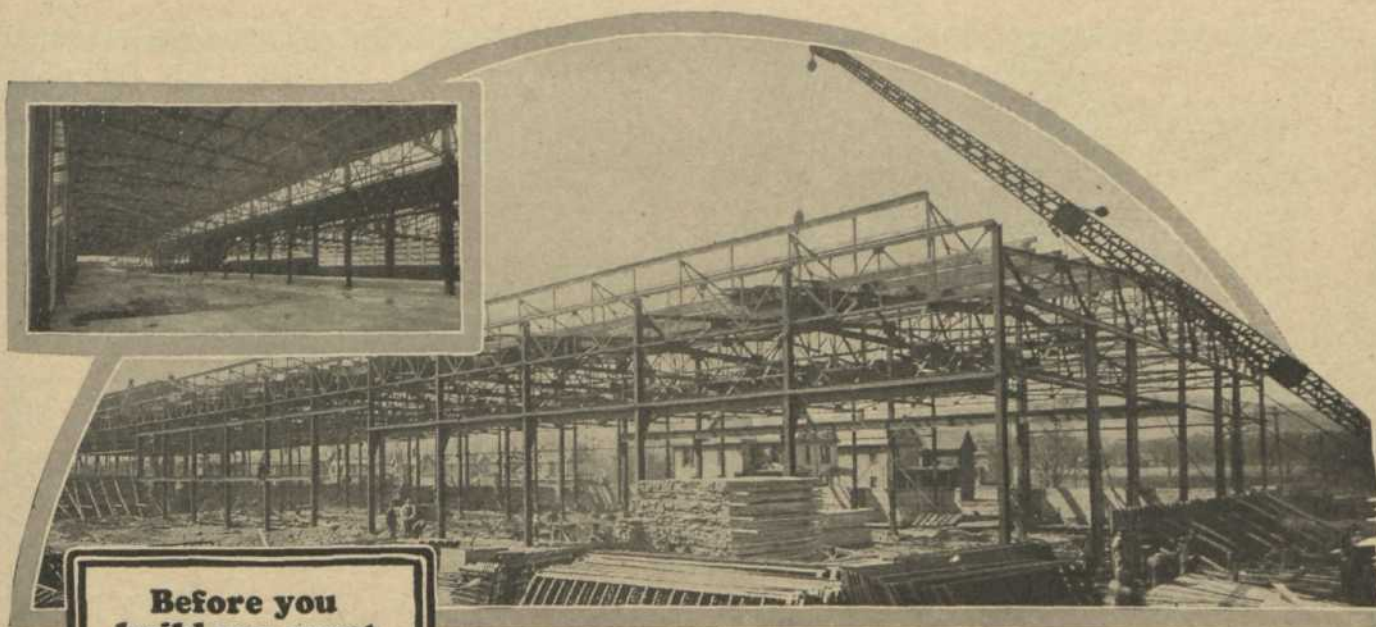
To resume discussion of the shrinkage of railroad facilities, both relatively as compared with the growth of other business, and positively, while the volume of freight increased 32.8 per cent in the decade from 1910 to 1920, the capacity of all freight-carrying cars increased only 31 per cent. Last fall the weekly average of freight loaded represented an increase of 113 per cent over 1910, while the capacity of freight cars was still but 31 per cent greater than it was twelve years before.

### A Car a Year for 45 of Us

**I**N number, freight-carrying cars have actually increased from 2,329,475 in 1916 to 2,378,682 in 1921, an increase of 49,207 cars in five years. This leaves us one car to do all the transportation for an entire year for each group of 45.3 persons. Perhaps it may help to visualize what is involved in transportation to say that of the kinds of freight cars in which food products are moved, although they are not limited to that use, there is one car to each 97 persons. According to the Bureau of Statistics of the Department of Labor the average consumption of food in New York is 4.4 pounds per capita per diem, or 1,606 pounds per annum. Taking the August average of one of the trunk lines, 22.6 tons, as the average car load, each car would have to make 3.45 round trips to haul food for its quota of 97 persons before it could be released to do the hauling that would enable them to earn the money to pay for the food.

From 1910 to 1921, inclusive, the total tractive power of all locomotives increased 53 per cent. This increase could not all be applied to the movement of freight, for the increase in passenger train miles between 1911 and 1921 has been 1.2 per cent, or an increase of 6,520,736 miles traveled by passenger trains equivalent to the dispatching of 20





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Concerns like these occupy from 2 to 5 Ferguson-built structures:—

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trains, or 10 in each direction, between New York and Chicago every day in the year. This left substantially an increase in tractive power of 51.8 per cent applicable to freight movement as against an increase of 31 per cent in the carrying capacity of freight cars from 1910 to 1920.

President Markham, of the Illinois Central Railroad, reaches similar conclusions from slightly different figures. President Markham's figures show that for the five years ending June 30, 1907, the number of cars increased more than 480,000. In the next five years the increase was 230,000; in the 4½ years ending with December 31, 1916, it was only 114,000; while for the five years ending with 1921 the number of cars in service actually decreased 13,251; for the excessively rough service to which they are subjected wears cars out quickly. True, there was constant increase in the carrying capacity of individual cars, but this also has shrunk in the aggregate, the total increase in carrying capacity for the five years ending with 1921 being 85 per cent less than for the five years ending with 1907.

#### The Equipment Deficit

THE increase in the number of locomotives in service, President Markham shows, for the five years ending with 1907 was 18,160; for the next five years only 8,447; for the next 4½ years 4,558, while for the five-year period ending with 1921 there was an actual decrease of 664 locomotives. While we are building more powerful locomotives than in 1907, the increase in aggregate tractive power keeps shrinking. The increase for the five years ending with 1907 was 585,790,000 pounds; for the five years ending with 1921, 390,000,000 pounds.

In 1921, 1,330 locomotives were built, but in the same time, 1,134 were sent to the scrap pile, leaving a net gain of only 196 in number. The number of cars ordered in the first ten months of 1922 was only 122,953 as compared with an annual average of 106,569, which, as has been shown, was not nearly enough to replace obsolete equipment and take care of increasing traffic. In the same period the number of locomotives ordered was 1,792 as compared with a ten-year average of 2,118.

If the deficit in equipment could be made good by waving a magic wand, our last state would be worse than our first, for the decline in equipment has been accompanied by an even greater decline in mileage. In the five years ending December 31, 1921, 4,989 miles of main line were abandoned. Of that total, 1,714 miles were taken up, the rails sold for old iron, the ties for firewood. In the same period 3,175 miles of road were built so that the actual net loss was 1,814 operated miles of railroad. These roads were built like nearly all others, in advance of traffic. Under proper conditions their territory would have been developed in time and the stockholders would have received a return on their investment.

In 1887, the year the Interstate Commerce Commission was established, 12,878 miles of railroad were built in the United States. In 1902, before regulation had borne its per-

fect fruit, 6,026 miles were built; in 1903, 5,652 miles as compared with 3,175 miles in the last five years. In 1907, 5,212 miles were built. Then Roosevelt gave fresh impetus to the urge for regulation with the result that in 1908 only 3,214 miles were constructed. There were slight increases in the succeeding two years; then a steady decline set in which has continued uninterruptedly to 1921, when 475 miles were built.

If it be contended that this shrinkage in mileage and the practical stoppage of new construction are due to the fact that railroad facilities have been overbuilt, how reconcile that hypothesis with the fact that for the last twenty years there have been blockades every fall necessitating embargoes; or with the fact that Argentina has 26.4 miles of railroad per 10,000 inhabitants; Australia 47.8 miles; New Zealand 25.7 miles, and Canada 44.8 miles as compared with 25 miles per 10,000 inhabitants in the United States?

To show in another way the extraordinary increase in traffic while the facilities for handling it have practically stood still, the ton-miles of freight hauled increased from 186,463,000,000 in 1905 to 277,135,000,000 in 1915. Three years ago a curve projected into the future indicated that 1921 traffic would amount to 333,815,000,000 ton-miles; actually, according to Interstate Commerce Commission figures, it was 309,443,000,000 ton-miles. The facts here given are in no wise inconsistent with the account of the remarkable achievements of the railroads already given in these pages, but they do throw those achievements into stronger relief. Indeed, with ample mileage and equipment there would be no particular credit in handling the unusual volume of freight in 1922; anybody could do it.

Projecting the curve of increase of traffic into the future, it is indicated that a volume of 481,515,000,000 ton-miles might be offered in 1926 if it could be handled. But how will it be humanly possible to handle an increase of 41 per cent over the amount that swamped the roads in 1922, with conditions as they have been outlined in the foregoing?

#### What the Canals Can Do

NOT much help can be expected from canals, on which so many hundreds of millions of taxpayers' money have been lavished. The 525 miles of canals on which the State of New York has spent \$155,000,000 in the last few years moved only 1,421,434 tons of freight in 1921, a decrease from 5,664,056 tons handled by the little old canal away back in 1883, the biggest year in the history of New York canals. Counting interest on debt, amortization and cost of maintenance and operation, the taxpayers of the state paid \$7 for every ton of freight moved on the canals in 1921.

In 1921, 79,282,496 tons of freight moved through the Soo Canal and 11,599,214 through the Panama Canal, which, added to the freight handled by New York State canals, made a grand total of 92,303,144 tons, which was 5.4 per cent of the great total of 1,690,762,695 tons of revenue freight hauled by the railroads. Apparently, we still have more or less use for railroads.





The loading platform at one of the Weyerhaeuser mills. It is such up-to-date facilities as this that enable this group of mills to give efficient handling to orders of any size.



The unit package shed at one of the Weyerhaeuser distributing yards from which emergency shipments can be made on twenty-four hours' notice—an important feature of modern lumber service.

## Why So Many Industrial Concerns Are Utilizing Weyerhaeuser Lumber Service

**W**HEN an old, established lumber organization finds its sales to industrial users increase threefold in a few years, there must be sound fundamental reasons for the growth that are of interest to all wood-using industrial concerns.

Several years ago the Weyerhaeuser organization made a comprehensive survey of the lumber needs of American industries. The results of this survey, coupled with more than sixty years' experience in the lumber business, led to a definite service policy in meeting industrial lumber requirements.

This service has two basic factors:

**FIRST**—to find the kind and type of lumber and the grade of lumber that will meet a manufacturer's requirements most efficiently and economically.

**SECOND**—to assure a group of permanent customers a continuous and uniform supply of the exact type of lumber in the correct grade, size and quantities they require.

**S**UCH a dependable lumber service enables a manufacturer definitely to standardize his lumber practices and factory operation. Continuous production is assured. There is no unnecessary wastage. Handling costs are reduced. In short, the manufacturer is relieved of his lumber worries. The expert in lumber works with his experts to produce maximum results.

Weyerhaeuser sales to industrial users have shown phenomenal increases because Weyerhaeuser service fills a real need—because con-

cerns who have utilized the service find that it pays.

This high type of lumber service is made possible because of the timber resources, specialized equipment and highly trained personnel of the Weyerhaeuser organization:

A large supply of mature timber of fifteen different species, and many types within these species, sufficient for decades of cutting.

Scores of logging camps guaranteeing a steady stream of suitable raw material.

Fifteen complete modern manufacturing units.

Seasoning processes that prepare lumber scientifically for each exacting need.

A crew of men at all the plants, with years of experience in producing, grading and shipping Weyerhaeuser quality lumber.

A corps of salesmen trained to think as purchasing agents and buyers have wished for lumber sellers to think.

Distributing facilities backed by fifteen immense mill stocks and two great strategically located storage plants, in the heart of both the eastern and mid-western markets.

**T**HE Weyerhaeuser Sales Company distributes Weyerhaeuser Forest Products through the established trade channels. Its principal office is in Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 220 Broadway, New York; Lexington Bldg., Baltimore; and 2694 University Ave., St. Paul; and with representatives throughout the country.

The personal service of Weyerhaeuser crating engineers in helping buyers of crating lumber to reduce their packing and shipping costs is outlined in a booklet, "Better Crating," sent free on request.



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Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.





# Congress Hears from the Grass Roots

## Being Flashes of Wisdom Gleaned at the Hearings of Committees on Agriculture

ON THE whole, if you are in Congress and like variety, it may be as well to be a friend of the farmer and sit in with the Committees on Agriculture. Beyond question, members are variously exposed in committee seance with persons out of the ordinary in geography or ideas.

Came a man to the Senate Committee who gave account of himself as "Randolph Bedford, of the Queensland Parliament; age, 52; complexion and other particulars not necessary, I take it." Maybe not. His keen sense of what "isn't done" will guarantee his complexion as well as anything. Vetoing an Act of the Australian Parliament isn't done. Senator Ransdell (La.) was asking:

"He don't veto as a matter of fact, but has he not the legal right to veto?" "He" being the king, who, as a host within himself, is presumably entitled to take a plural verb.

Mr. BEDFORD: Oh, yes.

Senator RANDELL: And there is no way of passing over his veto, is there?

Mr. BEDFORD: Oh, yes; by simply not taking any notice of it.

Mr. Bedford and George V are in no whit different case from Patrick Henry and George III, and the Senator intimated as much. But Mr. Bedford submitted that "that which is treason when it fails is patriotism when it succeeds. But the veto is never used, anyhow."

The chairman asked if the governor general was "an ornament."

Mr. BEDFORD: He is an ornament. There was one state governor who attempted to pass an opinion on Australian politics, and everybody arose to hit him and he resigned soon afterwards.

The Chairman thought he had read something about Australia moving her capital. "They had very elaborate plans," he recalled, "but I have never found out how that turned out."

Mr. BEDFORD: I was on the capital site a year or so ago and I boiled a billy-can near it.

The CHAIRMAN: It is still just a site?

Mr. BEDFORD: Yes. It has some good trees. . . . It is agreed to put in a wooden capitol and try to get it opened this year. In the meantime it is good picnicing ground.

Which it is a relief to know. In the absence of popular information on the subject of just what it was that Mr. Bedford boiled near there, a fear had hovered that the place might have been blown into a hole, or something awful that goes with treason might have occurred.

### The Farmer's Wife Would Set the World To Rights

BEFORE the House Committee came a woman from Fulda, Minn. Hear the smack of the passive peasant of Russia in her reply to Mr. Riddick's (Mont.) statement that "farmers should bend their energies to making a living for themselves. It seems paradoxical that there should be hunger on the farm."

Mrs. RADICK: The farmers are going to produce their own living, rather than work all year and get nothing. We are going to rest and just raise enough stuff for ourselves.

Mr. Riddick went off into a reminiscence. "I lived 30 miles from my nearest market place in Montana, and it was our experience to go to town twice a year. Twice a year was an event of the year for us, because we had to drive 30 miles to town, and take two or three days in doing it, and do our shopping. It is surprising how little cash it took, and if every other farmer would do that instead of rushing to town and buying things that were made at the high union scale of wages, products of the farm that went from the farm and were manufactured and came back to the farm, it would make a great saving."

Mrs. RADICK: What do you understand by a living?

Mr. RIDDICK: I recall those days as the happiest days I ever enjoyed on this earth.

Mr. CLARKE (N. Y.): You are not answering her question.

Mr. RIDDICK: We did not buy any butter or eggs, or meat products or vegetables. We had a cellar full of stuff, a cellar bigger than a railroad car, and we raised poultry. I have never seen such milk and poultry and other things as we raised.

Mrs. RADICK: We raise all those things, too.

Mr. RIDDICK: We had an abundance of everything.

Mrs. RADICK: You have to have clothing.

Mr. Riddick assented. But he thought "it

does not take much money to buy sensible clothing. We did not wear white shoes which cost \$18."

Mr. Ten Eyck (N. Y.)

thought we are "beyond the age of making the cradle and the frame and the wooden wheel on the wagon," and Mr. Tincher (Kans.) thought that "a man ought not to give two bushels of corn for a shave."

"Do you know many farmers that go to a barber shop?" inquired Mrs. Radick. "I shave my husband many times myself."

Mr. TINCHER: Your husband ought to have a right to go to a barber shop, just the same as any other man, and he ought not to give two bushels of corn for a shave.

Mr. TEN EYCK: I suppose that the reason that they charge the farmer so much at the present time for a shave is because of his long face.

But another Member was soon off on a reminiscence. Mr. Clarke could "go back 32 years, when my grandfather used to ship his butter to the commission merchants in New York. Now, he always endeavored to get a check; he was at the hands of the commission merchants for everything that he sold, and he had to take what he could get, and he was always thankful if he got back enough to pay the hired man and pay his taxes and enough to send one of the children, at least, away to school for one term. Those were the conditions that obtained at that time."

Mrs. RADICK: "Can this nation really be the nation that we want it to be if those conditions continue to exist?"

Mr. CLARKE: "Those were the conditions as they obtained 30 years before his time."

### Wherein We Are Warned of Dire Drought To Come

CAME "Mr. Herbert Browne, Farmer, Lodi, N. Y.," with taxation and meteorology as side line. "There is every reason to think that we will have a drought in the middle west; that the hot winds will come off from the mountain plains or the western plains and burn up your corn. It is imminent. We had 24 lows in December against a normal of 11."

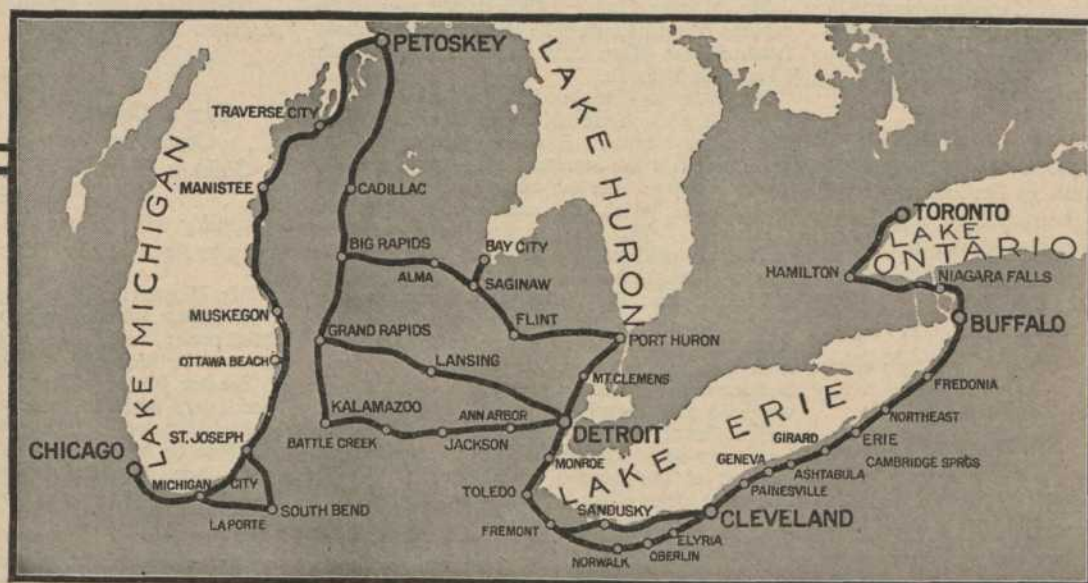
"What is your prediction for the coming year as to drought?" inquired Mr. Jacoway (Ark.).

Mr. BROWNE: The prognostication is for a very dry period in the North. . . . I think you are going to have it probably as far south as Missouri, and as far as the Ohio River, and I think in the Gulf States





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Drive into these new highways at any point, Toronto to Chicago, and you'll find new beauties and summer pleasures to attract you.

Not till this summer have fine roads been available through this delightful region, north of the older east-and-west highways. But now, whether you are planning your main route through this section or another, plan to include some part, at least, of this charming summer playground.

**The Lake Erie-Niagara Falls Trail:** From Toronto to Niagara and Buffalo—each of the three a center of a great vacation territory—is but the beginning. Through the lakes and resorts of western New York and of Northern Ohio are hundreds of attractions on both main routes and by-paths. Cleveland is another inviting point; many famous beaches and lake resorts are in easy reach as you drive on to Toledo and the north. At Detroit are innumerable playgrounds, and here is the door to the wonderland of Michigan resorts which you reach by *The Michigan Trail*. Any of these cities will easily provide a week's—or a fortnight's—delightful vacationing.

### There are Three Statlers on Your Route

At Detroit and at Cleveland are thousand-room Statler hotels; and at Buffalo was recently opened the newest Hotel Statler (1100 rooms, 1100 baths) which is the finest of them all. In Buffalo, Cleveland or Detroit you might well make The Statler your headquarters and spend some time in the vicinity of each city.

### And Statler Service is Guaranteed

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy the guest whom he is serving; and that if he can't satisfy him he will immediately take him to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of 6,000 employees, and there is no need that I should do so; but when our promises aren't kept, I want to know it.

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Please send me the booklet on vacation tours.

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**BUFFALO:** 1100 rooms, 1100 baths. Niagara Square. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo; and the old Iroquois Hotel is closed, not to re-open.  
**CLEVELAND:** 1000 rooms, 1000 baths. Euclid, at E. 12th.  
**DETROIT:** 1000 rooms, 1000 baths. Grand Circus Park.  
**ST. LOUIS:** 650 rooms, 650 baths. Ninth and Washington.  
**BOSTON:** Now preparing to build at Columbus Ave., Providence and Arlington Sts.

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The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Railway Terminal. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.



you are very apt to have excessive rains.

Mr. TINCER: How about Kansas?

Mr. BROWNE: Kansas is going to suffer.

Mr. ASWELL (La.): Do you think this famine is coming next year?

Mr. BROWNE: No, sir; it is coming about 1926 or 1927 or 1928, but you are going to have a pretty good forerunner.

THERE breezed in from Leonard, Texas, Mr. J. Lee Tarpley, "a real dirt farmer" who lived "six miles out in the country, and I am a real, genuine, thoroughbred, registered farmer. I had to register down here the other day at the hotel, and I guess that makes me a registered farmer, does it not?"

The CHAIRMAN: "If you register down here you won't have any farm when you get back home."

**Consider Now the High Cost of Hotel Oatmeal** CAME ex-Congressman J. E. Kelley, now farmer in Moody County, South Dakota, to report that he "could

not pay taxes to any appreciable extent with oats at 8½ cents a bushel."

Senator HEFLIN (Ala.): At the same time we are paying 15 cents a saucer for oatmeal right here in Washington.

Senator GOODING (Idaho): Where do you get it at 15 cents?

Senator HEFLIN: At the Willard Hotel they pay, I understand, 20 cents.

Senator GOODING: Forty cents with cream.

Mr. KELLEY: Yes, with a bit of cream it is 40 cents.

Mr. Wingo (Okla.) one day paid his respects to "this great god that you worship—the Budget."

"Not long ago my little boy came home from school, and he had some questions to answer. One of the questions was, 'What is the Budget?' He asked me, and I told him to take his pencil and that I would dictate the answer to the question. Here is what I told him to write: 'Something that everybody is for and that nobody understands.'" Mr. Wingo indicated that Congress was not so bad a manager of the people's money. "It is much easier for a camel to get through the eye of a needle than it is for an unworthy appropriation to get by the committees of Congress and the Committee of the Whole on this floor under the five-minute rule."

**Shall a Statesman Go Unscathed To Geneva?**

TO MAINTAIN Biblical phraseology, you would have thought that this same Committee of the Whole, having in the

past swallowed many camels in the form of large appropriations, was straining at a gnat when the Budget allowance of \$4,000 "toward the maintenance of the Bureau of the Inter-parliamentary Union" came up for discussion.

Mr. KING (Ill.): I notice that some individuals who claim to be attached to this organization took a very nice junket to Europe along in the spring some time and attached themselves to the League of Nations by sitting in the gallery at Geneva. . . . I would like to ask the chairman of the committee and others what this trip to Geneva to visit the League of Nations cost the

United States; . . . and what useful reason there is for the existence of this organization. If there be anybody on God's earth who can tell me anything about it, I will be a most interested and anxious listener. . . .

Mr. MOORES (Ind.): This \$4,000 goes to the expense of maintaining the bureau and the maintenance of a large clerical force. I think the office is in Brussels.

Mr. BURTON (Ohio): No; in Geneva.

Mr. KING: That is where the League of Nations is located. I would like to ask the gentleman has the secretary made any report.

Mr. MOORES: He has made reports to the association, to which the gentleman is eligible as a member. The reports are in French and probably would not be of much service to the gentleman from Illinois.

Mr. BURTON: Mr. Chairman, I am surprised at the opposition this comparatively trivial item seems to arouse every year. It is along the same line as the expression of a United States Senator who said some years ago: "What have we to do with abroad?"

Mr. KING: I notice by the press that this union or some of the delegates attended the meeting of the League of Nations at Geneva. Was that done officially, and were they able to accomplish anything?

Mr. BURTON: Oh, no. It was simply done as private individuals. I trust the gentleman will not come anywhere near to being in a fit simply because some of us went to Geneva to see what the League of Nations was doing.

Mr. KING: Oh, I am very glad the gentleman did. I would like to have him tell us about it sometime.

Mr. BURTON: I was there for five days at-

tending the sessions, and, I may say to the gentleman, without any official sanction from this Government, and I took pleasure in paying my own expenses and conducting myself in my own independent way as an American citizen.

Mr. KING: Oh, I knew the gentleman would do that.

**Can a Cook Cook for \$180 a Year?**

SENATOR JONES (Wash.): Why do you want three grades of assistant cooks?

The senatorial mind is grappling with the matter of help in the Home for the Aged of the District of Columbia.

Mr. WILSON: There is one of the cooks that was meant for the superintendent's house, the \$180 cook; the \$15 a month cook and the others were to be helpers in the kitchen.

Senator JONES: Why do you give one of them one salary and the other another?

Mr. WILSON: . . . It gives a chance for one of them to have an advance from \$340 to \$360. You know this grade of miscellaneous help.

Senator JONES: Yes, I do; there is too much of it.

Mr. WILSON: . . . Our estimates in these low positions were many of them twice as much as they are here; but we are not allowed to consider them.

Senator GLASS (Va.): I think the cook who is getting \$180 a year is justified in killing all the people he gives food, with indigestion.

Mr. WILSON: That would solve some problems, too.

## A Pioneer of Publicity

Being a Book Review of "Barnum" Considered from the Standpoint of Business Achievement

THE LEARNED gentlemen who collaborate to write the dictionary tell us that business is

any occupation connected with the operation or details of trade or industry.

Which lets in most all of us as business men, including Phineas Taylor Barnum, a name not unknown to present-day childhood and dear to all who were children a generation or two generations ago.

But was Barnum a great business man? If originality, if blazing new trails, be the test, he was; he was a father of advertising, a founder of publicity as a profession. If the accumulation of money be the measure, we must put him, if not with the great, at least with the near great. He made one fortune and went into bankruptcy before he was 45; yet when he died, thirty-five years later, he left more than \$4,000,000. Four millions may not mount high in the wealth scale of 1923, but it put its possessor up near the leaders in 1891.

Admit the show man, then, to our list of great business men; and read, if you will, M. R. Werner's recently published "Barnum" (Harcourt, Brace & Company). To one interested in the business history of America it leaves in the mind a puzzling paradox—how much American business has changed—and how little.

Barnum wrote an embellished but largely truthful autobiography every year or so, and these volumes are full of accounts of the dishonesty of business when he was young

and even when he was middle-aged. "Sharp bargains" were the thing in the country store in Connecticut where he began his business career as a lad of ten or twelve.

Barnum wrote that often he cut open bundles of rags brought to the store by country women to exchange for goods and found that what were ostensibly good linen and cotton rags contained in their midst extra weight in the shape of stone, gravel or ashes; and farmers regularly brought their loads of oats, corn and rye into town short of their stated weights.

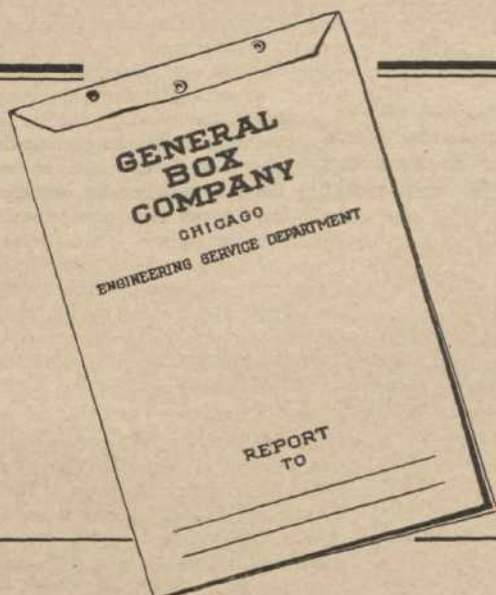
Later in his autobiography he gave this picture of country store success:

It was "dog eat dog"—"tit for tat." Our cottons were sold for wool, our wool and cotton for silk and linen; in fact, nearly everything was different from what it was represented. The customers cheated us in their fabrics; we cheated the customers with our goods. Each party expected to be cheated if it was possible. Our eyes and not our ears had to be our masters. We must believe little that we saw, and less that we heard.

When in his 55th year and after his failure and the rebuilding of his fortune, Barnum wrote "The Humbugs of the World," he drew this picture of business, basing it presumably on his own experience:

Business is the ordinary means of living for nearly all of us. And in what business is there not humbug? "There's cheating in all trades but ours," is the prompt reply from the bootmaker with his brown paper soles, the grocer with his floury sugar and chicoried coffee, the butcher with his mysterious sausages and queer veal, the dry-goods man with his "damaged goods wet at





## An Analysis of Your Shipping Methods and Costs

### AT NO EXPENSE TO YOU

**I**N order to help you determine what can or cannot be accomplished in reducing your shipping costs, the General Box Company offers the services of its engineering department.

Simply write to us and arrangements will be made to send a box engineer to you at your convenience.

While he is at your factory he will not interfere with your daily program in any way. After studying your requirements a report will be made to you in writing.

There will be no charge made for this service. There will be no attempt made to sell you our products.

If our recommendations seem practical to you, we will be glad to quote you prices or to design special containers for you which you can test out thoroughly before making any change in your present methods.

As the only manufacturer in the wooden box industry doing business on a national scale, we are interested in placing the use of wooden containers on an economically sound basis.

*Please address the Engineering Service  
Department of the*

## GENERAL BOX COMPANY

*Manufacturers of All Kinds of Wooden  
Shipping Containers*

504 North Dearborn Street, Chicago, Illinois

#### FACTORIES AT

Bogalusa, La.  
Brewton, Ala.  
Brooklyn, N. Y.  
Cincinnati, Ohio

Detroit, Mich.  
East St. Louis, Ill.  
Hattiesburg, Miss.  
Houston, Tex.

Illmo, Mo.  
Kansas City, Mo.  
Louisville, Ky.  
Nashville, Tenn.

New Orleans, La.  
Pearl River, La.  
Sheboygan, Wis.  
Winchendon, Mass.



the great fire" and his "selling at a ruinous loss," the stock broker with his brazen assurances that your company is bankrupt and your stock not worth a cent (if he wants to buy it), the horse jockey with his black arts and spavined brutes, the milk man with his tin aquaria, the land agent with his nice new maps and beautiful descriptions of distant scenery, the newspaper man with his "immense circulation," the publisher with his "Great American Novel," the city auctioneer with his "Pictures by the Old Masters"—all and every one protest each his own innocence, and warn you against the deceits of the rest. My inexperienced friend, take it for granted that they all tell the truth—about each other! and then transact your business to the best of your ability on your own judgment. Never fear but that you will get experience enough, and that you will pay well for it, too; and towards the time when you shall no longer need earthly goods, you will begin to know how to buy.

Allow a liberal discount for Mr. Barnum's unquestioned gift for exaggeration, and still we have left a picture that gives us a better idea of modern business dealings, retail dealings at least. No man now searches his soles for brown paper or his sugar for sand. The watered-milk joke has passed with the wooden nutmeg. Most men buying an automobile take the salesman's word that the covering of the seats is what he says it is, that an aluminum body means one made of aluminum.

### Advertising, Then and Now

**B**UT if the reader of "Barnum" is impressed by the higher standards of production in the last century, he may be equally amazed at how little the industry of advertising and publicity has altered except in its language. Barnum never even heard of "market analysis," "consumer acceptance" and "overcoming sales resistance," but he knew all about these things; whatever terms he applied to them.

When Barnum got word that Jenny Lind had signed a contract with him to sing in America at an unheard-of price, he was in Philadelphia. Straightway he headed for New York. Changing cars at Princeton he told the conductor that he had just engaged Jenny Lind.

"Is she a dancer?" asked the conductor.

Barnum was chilled, but his spirit was undaunted. He had six months in which to "sell" (word beloved of advertising and publicity men) Jenny Lind to the public, and "sell" her he did.

Jenny Lind was a great singer, but Barnum was far too shrewd to parade her as a singer solely or even chiefly. He "sold" her as a woman of noble character whose life was devoted to charity.

I may as well state (writes Barnum in his autobiography) that although I relied prominently upon Jenny Lind's reputation as a great musical *artiste*, I also took largely into my estimate of her success with all classes of the American public, her character for extraordinary benevolence and generosity. Without this peculiarity in her disposition I never would have dared make the engagement which I did, as I felt sure that there were multitudes of individuals in America who would be prompted to attend her concerts by this feeling alone.

And he was right. No Caruso or Paderewski ever aroused the furore that awaited Jenny Lind. And what "counselor in publicity" could ever have gauged the American public and its reactions more shrewdly than

did this show man, who didn't hesitate to call himself "The Prince of Humbugs"?

Barnum knew not only how to advertise but how to inspire advertising in others. When Jenny Lind came, he sold at auction the tickets and told Genin, the hatter, whose Broadway store was next door to Barnum's American Museum, to buy the first ticket at any price. Genin did for \$225, and men who'd never heard of Genin bought his hats. And other hatters? Listen to Barnum's biographer:

Other hatters were envious of Genin's Barnumized notoriety, and Knox, the hatter of 128 Fulton Street, advertised in the New York *Tribune* two days after Genin's purchase:

"There is no truth in the assertion that Knox, the hatter, paid \$225 for the choice of a seat at Jenny Lind's first concert. Knox can't afford it; and it must have been done by some Broadway Hatter, who sells a poor article at a high price, as Knox is contented with very small profits. His Fall style of Hats is the admiration of everybody."

Espenscheid, of 107 Nassau Street, advertised: "THAT TICKET—The sensible portion of the community begin to see the folly of contributing to the support of the Broadway \$4 hatters in luxury and idleness, and paying for their expensive show-shops, and \$225 Concert Tickets, when they have only to turn the corner of the Museum and walk a few steps to Espenscheid's, 107 Nassau Street, where a better, lighter, more graceful and durable Hat is sold for \$3.50."

The hatter who invited the public to desert expensive Broadway was leading the way for those extensive advertisers who urge the buyer to "walk up one flight and save \$10."

Consider also Barnum's elephant which dwelt in a 6-acre field facing the tracks of the N. Y., N. H. & H. R. R.

"Barnum gave the keeper a railroad time table; and whenever a passenger train came into sight, the elephant busily plowed the land, the keeper leading him as close as possible to the railroad tracks."

Hundreds of letters poured in on Barnum asking for facts and figures on the elephant as a farm animal. Barnum's reply was marked "Strictly Confidential" and told the asker that his elephant "was a profitable agricultural animal because he advertised the museum but not otherwise."

"He concluded by asking his correspondents to keep these facts secret, so that each of the hundreds felt himself in the confidence of a great man."

And yet there is nothing to show that Barnum ever heard the word "psychology."

A readable book about a man who understood the American public as few other men have ever done.—W. B.

## Other Books Received

SOURCE-BOOK OF RESEARCH DATA, by New York University of Business Research. Prentice-Hall, Inc.

**A** LIST of sources of statistical data on commodities of commerce, divided into two parts, one dealing with production, shipments, etc., and the other, prices. Within the field it covers, which does not include various phases of commerce, industry and finance of interest to business men, the book will be useful to those unfamiliar with sources of statistical data.

Efforts to meet the need of business men and others for statistics have been directed largely

along two lines: The compilation of source lists, and the assembling and publication of actual figures, chiefly monthly or weekly series. The "Source-Book of Research Data" aims to do for all important commercial commodities what has been done in other special fields. Various trade journals, trade associations and other agencies have been more or less successful in assembling monthly and weekly series of statistics in such form that the business man need not deal with original sources. The *Monthly Survey of Current Business*, issued by the Department of Commerce, combines the two ideas, and furnishes the actual figures and a list of sources.

THE ECONOMICS OF MARKETING AND ADVERTISING, by W. D. Moriarty. Harper & Brothers, New York, N. Y.

Dr. Moriarty, who is Professor of Business Administration at the University of Washington, might have called his book, "The Economics of Distribution," but he clings to a definition of distribution as the "process by which the final price of a thing is distributed among those who produced it." He covers a wide field in his 600 pages, not forgetting the inevitable chapter on business cycles, this time in their influence on marketing.

BUILDING YOUR OWN BUSINESS, by A. C. Burnham. The Ronald Press Company, New York, N. Y.

Based on a questionnaire sent to proprietors of small businesses in Chicago. Illustrative answers are printed verbatim and make most human reading. The Correspondence Schools, early rising and regular church attendance all play their part in smoothing the road to success. Any one may prosper if he "stays sober and checks his addition twice," says one who has built up a successful business.

FINANCIAL INCENTIVES FOR EMPLOYEES AND EXECUTIVES, by Daniel Bloomfield. The H. W. Wilson Company, New York, N. Y.

Two volumes of the Modern Executive's Library devoted to profit-sharing, pensions, stock participation, bonuses for sales and all the other ways of rewarding work and cutting down labor turnover. Forty-five types of mutual benefit associations alone are diagrammed. Seven pages are given to a list of companies having pension systems.

ENGLISH MANUAL FOR BUSINESS, by Robert Winternitz and Paul T. Cherington. A. W. Shaw Company, Chicago, Illinois.

"Designed especially for the business executive who is anxious to improve the quality of his written English," says the cover. Some of it seems almost too elementary. Never have we known an executive to write, "You was," or "That was between we and our advertising agent." But we're with the authors when they open war on the "squeezed lemons of language," including "We beg to state."

INDUSTRIAL HISTORY OF THE UNITED STATES, by Edward S. Cowdrick. The Ronald Press Company, New York, N. Y.

An industrial engineer packs into 400 pages a review of our industrial history up to and including the close of the last Congress and its failure to act on immigration and the labor shortage. A bird's-eye picture of American business from Colonial days, when New England exported the poorest quality of salt fish to the West Indies as food for slaves, receiving in return molasses which they distilled into rum, part of which went to Africa to be traded for more slaves. Truly business was business in those sinful days to which we look back with so much pride.



"I shall not be satisfied until THE NATION'S BUSINESS has an audience of half a million business men."—JULIUS H. BARNES,  
President, Chamber of Commerce of the United States.

## Appreciation

SOMETIME, somewhere, you readers of THE NATION'S BUSINESS have been talking about us.

In no other way can we account for the exceptional increase in our family of readers. We expected the normal growth that goes with a magazine approaching the 100,000 mark, but not the enrollment of 30,000 subscribers in less than twelve months. Your good word must have gone out, unconsciously, perhaps, but nevertheless in commendatory fashion.

We appreciate greatly this evidence of interest and confidence in our editorial program. A publication is not unlike your own business; it prospers by the good-will of satisfied customers who pass the word along. If, added to your satisfaction, there is an understanding of the ideals of THE NATION'S BUSINESS, American business will soon have a voice speaking to half a million—and all that that implies.

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*We believe in American business, in its stability, its sanity, its integrity. For it, is published THE NATION'S BUSINESS, authoritative in character, national in scope, idealistic in spirit, and holding strongly to the belief that if it is not for the public good, it is not for the good of business.*

THE NATION'S BUSINESS

Washington



# "CHEMICAL KNOWLEDGE

is the foundation of ALL industry. The amount of your operating expense, costs, profits—your very success, depends on it,"

—said the chemist



"Show Me,"

said the manufacturer, "just how our business is materially benefited by chemistry."

—And the chemist did. He also told how the National Exposition of Chemical Industries presents vital information in a graphic way regarding quality, cost, preparation and treatment of all raw materials—woods, metals, glass, paper, rubber, textiles, etc.; how modern machinery lowers costs and increases the productivity of labor; how material ordinarily wasted can be used to great advantage; in brief, the chemist showed how a visit to the exposition helps any executive to add to the profits of his concern. Preparations are under way to make America's Most Important Industrial Exposition this year epochal in its character and scope.

## NINTH NATIONAL EXPOSITION OF CHEMICAL INDUSTRIES

Sept. 17-22, 1923

Grand Central Palace, New York

This exposition will furnish you with a wealth of ideas and facts about plant management, which will contribute immeasurably to your success.

Write for full details of the great work being accomplished. The facts are interesting.

NATIONAL EXPOSITION OF  
CHEMICAL INDUSTRIES  
125 E. 46th St. New York



# Recent Federal Trade Cases

ACQUISITION of the capital stock of competing companies as a means of lessening competition has been charged by the Federal Trade Commission in complaints issued against a glass company, a lamp company, and a shoe company. The Commission alleges that the glass company's recent acquisition of the entire assets and good-will of a competing company has the effect of restraining commerce in the glass bottle industry throughout New England, the Central Atlantic and Middle Western states, and the further affect of tending to create a monopoly in the industry.

The lamp company is said to have acquired the capital stock of a competing concern, thereby obtaining its control and management. That step, the Commission holds, has the effect of substantially lessening the competition which has existed between the two companies.

The shoe company named in the Commission's complaint has factories in Illinois, Missouri, and Kentucky, and branch establishments in other states. The complaint declares that the company acquired substantially all of the stock or other share capital of a competing shoe company of Boston, and the effect of the acquisition, the Commission says, was to lessen competition between the two companies; to restrain commerce in the shoe business in the several sections and communities in which the two companies are engaged in business; to tend to create a monopoly in interstate commerce in the shoe business.

WHEN a reissued motion picture is advertised for exhibition under a name other than that originally used, the advertising matter must clearly indicate both the new and old name in equally prominent type, rules the Commission after investigating complaints against film distributors in New York and Chicago. The practices investigated by the Commission did not make clear to exhibitors and to the public that the films had been exhibited under other titles, and gave the impression that the pictures were first-run pictures.

HOSIERY is again on the Commission's books under charges of misbranding. Two New York dealers got into trouble by using the descriptive phrases "Cashmere," "Fine Wool," "All Wool," "Natural Wool," "Ladies' Silk Boot Hose," and "Ladies' Art Silk Hose," when the Commission concluded that their goods were composed of mixed cotton and wool, or of cotton and an animal or vegetable fibre. Orders have been issued by the Commission to assure proper labeling and branding.

METHODS of maintaining prices and discriminations in prices continue to invite the attention of the Commission. A San Francisco firm has been cited in a complaint charging an attempt to force dealers to abide by certain specified prices at which coffee is to be resold. Agreements were made with dealers, it is charged, by which the firm re-

fused to sell to dealers who violated the firm's price list, with discrimination in favor of dealers who sold in accordance with prices presented in lists prepared by the firm.

ANOTHER complaint issued against two tobacco companies and a number of trade associations charges that they entered into agreements to maintain specified prices at which certain tobacco products are to be sold, and that there were also agreements to sell only to dealers who resold at uniform prices fixed in the agreements. The effect of those practices, the Commission believes, is to lessen competition between members of the wholesale grocers and tobacco jobbers associations involved.

THE Commission has ordered a New York concern dealing in cordage to discontinue representations on its letterheads which may give the impression that it

is the successor to any other manufacturer of cordage, and that it is a manufacturer of rope when that representation is contrary to fact, and selling or offering to sell as new or of best quality rope, rope manufactured in the United States or elsewhere, for use in the World War.

A NEW YORK manufacturer of patent medicines, pharmaceuticals and drug specialties is cited in a complaint on a charge of discriminating in prices between its preferred and non-preferred customers, but the basis of the company's classification of its customers is not disclosed. The question to be determined in this case is whether it is unlawful to discriminate in price between wholesalers who purchase in the same quantity, quality, and upon the same terms, and likewise whether it is unlawful to discriminate between retailers who purchase under like conditions.

FIXING of resale prices through the co-operation of dealers, customers and agents is charged against a Des Moines manufacturer of toilet preparations. This company, says the Commission, has made it generally known to the trade that it required its customers to maintain and enforce its resale prices, and to sell only to such other distributors as maintained and enforced its schedule. Failure of distributors to observe its resale prices was met by the company's refusal to supply those distributors with its products.

CHARGED with purchasing unbranded articles made of nitrated cellulose, grained to simulate ivory, and labelling them indelibly with the words "French Ivory," and selling them to retailers, thereby placing them on the market in competition with articles made of ivory and with imitation ivory plainly marked as imitation ivory, a New York firm has been prohibited from representing by any label, brand or advertisement, that toilet articles and other wares sold by the firm are "French Ivory" or "Ivory" unless the articles and wares are made from

Some commodities affected by cases and complaints described in this article are:

Cash registers  
Cigars  
Coffee  
Cordage  
Dyestuffs  
Glass  
Hosiery  
Jewelry  
Lamps  
Machinery  
Medicine

Motion Pictures  
Potatoes  
Printing and engraving  
Rice  
Salad oils  
Shellac  
Shoes  
Stocks  
Toilet articles  
Woolens



animal ivory, and also from using the word "Ivory" as a part of any label, brand or advertisement except as an adjective of color or finish, except that "imitation ivory" may be used to designate a product of that character.

**THE COMMISSION** contends that a Baltimore manufacturer of salad oils has simulated the product of a competitor, and that his practice tends to confuse and mislead the general public and is unfair to the competitor. The manufacturer, the complaint says, markets a salad oil under the name of "Magnolia," and uses labels on the containers for that product closely simulating in color and design a label that previously had been adopted by the manufacturer of a salad oil known as "Mazola."

**TO THE Commission's** way of thinking, a dealer who advertises his goods as surplus army and navy supplies when that is not the fact is using unfair methods of competition, and the Commission has therefore filed a complaint against a dealer of Cincinnati, who, it says, bought regular trade merchandise and advertised and sold it as being bought from the United States Army or United States Navy, and as being made in accordance with specifications of the United States Government.

**MISBRANDING** of shellac is the basis of a citation issued against a firm of Long Island City, New York, the Commission holding that acts of that nature are deceiving to the public and unfair to competitors who truthfully describe their products. The firm, the complaint alleges, has placed on the market two brands of shellac, the first composed solely of shellac gum dissolved in alcohol, with the second made up of shellac gum and substitutes such as rosin and similar ingredients. The Commission charges that these two brands of shellac are marketed under the name and label of "White Shellac" and that in the brand that is partly composed of substitutes no qualifying words are used to indicate that the product so labeled is made of other than pure shellac gum.

**A PROHIBITORY** order has been issued by the Commission against a Providence corporation engaged in the manufacture of jewelry, pens and novelties, requiring that the corporation discontinue the practice of stamping, branding, labeling or otherwise marking fountain pens and pencils sold or intended to be sold by the corporation with fictitious, exaggerated or misleading prices, known to be in excess of the prices at which the pens and pencils are intended to be and usually are sold at retail; and selling or supplying its customers with fountain pens and pencils on which are stamped, branded, labeled or otherwise marked, fictitious, exaggerated or misleading prices, known to be in excess of the prices at which the pens and pencils are intended to be and usually are sold at retail.

**ATTEMPTING** to intimidate a competitor is charged against a Dayton company. The complaint states that the company manufactures autographic registers and supplies for the registers, that it has threatened to sue a competitor company and its customers for infringement of patent rights, that those threats were not made in good faith, that it has published and circulated erroneous statements with reference to a court decision, and that it asserted that all persons using the registers and supplies manufactured by the

## INDUSTRIAL POWER FROM A TO Z

(Automobiles to Zinc)



**RUBBER** is well represented among the industries equipped with **STONE & WEBSTER** plants. Boiler capacities installed vary from 700 to 7000 boiler horsepower. The illustration shows a 3250 kw. plant designed and built for the Boston Woven Hose & Rubber Company regarding which the client writes:

"**STONE & WEBSTER** are now on their fifth contract with us. We believe this organization is in position to do not only better work but at lower cost than most others."

**STONE & WEBSTER** assures this high quality and low comparative cost by combining their broad general experience on over a million installed horsepower with the owner's specific experience in his own requirements, and by the closest cooperation with the owner from the inception of the plan to the completion of the plant.

## STONE & WEBSTER INCORPORATED

DESIGN · BUILD  
MANAGE  
FINANCE

BOSTON, 147 Milk Street  
CHICAGO, 38 S. Dearborn Street  
SAN FRANCISCO, Holbrook Bldg.

NEW YORK, 120 Broadway  
PITTSBURGH, Union Trust Bldg  
PHILADELPHIA, Real Estate Trust Bldg



## "Tom, Dick and Harry"

Calling attention to a too general lack of appreciation of Relative Values in Cost Accounting.

Tom, Dick and Harry are never permitted to make requisitions on bank accounts. Yet, too often, are they allowed to requisition stores, or, at times, just to take and use materials as they see fit.

The one or two percent cash discount on materials purchased is never lost sight of. Equal concern is seldom given to the fact that a physical count of the inventory shows a shrinkage of one to three percent.

In nine cases out of ten the inventory is the largest of all the current assets. The value of materials on hand is usually much greater than the cash in bank. Yet many concerns estimate their profits on a Cost System which permits of a shrinkage factor in inventory.

Accurate and persistent control of inventory on hand and unfilled commitments, is the safeguard against shrinkage or loss. It is just as important as accurate and persistent control of the bank account. It is simply a matter of recognizing *relative values*—adopting a Cost System which is based on *relative values*.

## ERNST & ERNST

AUDITS — SYSTEMS  
TAX SERVICE

|              |             |            |              |             |
|--------------|-------------|------------|--------------|-------------|
| NEW YORK     | CHICAGO     | CLEVELAND  | INDIANAPOLIS | NEW ORLEANS |
| PHILADELPHIA | MINNEAPOLIS | BUFFALO    | TOLEDO       | DALLAS      |
| BOSTON       | ST. PAUL    | PITTSBURGH | ATLANTA      | FORT WORTH  |
| PROVIDENCE   | ST. LOUIS   | DETROIT    | RICHMOND     | HOUSTON     |
| WASHINGTON   | KANSAS CITY | CINCINNATI | BALTIMORE    | DENVER      |
|              |             | MILWAUKEE  |              |             |

## BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

**Our World Trade**—January to June, 1922.

**Free Zones**—What They Are and How They Will Benefit American Trade.

**International Credits**—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.

**The Railroad Situation**—Statement of Secretary of Commerce before the Interstate Commerce Commission.

**Overhead Expenses**—A Treatise on How to Distribute Them in Good and Bad Times.

**Depreciation**—A Treatment on Depreciation and Production. Why a Merchant Marine—Reasons why privately owned merchant marine is a national necessity.

Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

**Commercial Arbitration**—Statement of the field of arbitration and draft of plan.

**Perpetual Inventory or Stores Control**—How to keep investment in materials and supplies down to the Minimum consistent with efficient operation.

**National Obligation to Veterans**—The costs of war borne by the States and the government.

**Treaty Ratification**—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.

**Merchandise Turnover and Stock Control**—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.

**Analysis of the Senate Bonus Bill**—Outline of provisions with estimate of cost.

competitor company will be compelled to pay monthly royalties to the company cited in the complaint.

**TWO PRINTING** concerns are charged with marketing certain of their products under the representation of "engraving" when the material so offered by them for sale is not manufactured in the generally recognized manner used in engraving, says the Commission. The complaint in this case asserts that the word "engraving" when used in connection with printing has been well known and understood by the public to include only such products as result from the impression made from engraved plates. The Commission charges the two printing concerns with advertising and selling under the heading of "Process Engraving" printed material which is not made through the use of engraved plates. The Commission avers that the alleged acts of the printing houses, as named in the complaint, are misleading to the public and unfair to competitors.

**PUTTING** in operation a system to establish and maintain standard resale prices through various cooperative means is charged in a complaint of unfair competition, issued against a pipe threading machine company of Toledo, Ohio. In carrying out its plan of resale price maintenance, the Commission says, the company issues price lists and discount sheets in which minimum resale prices for its products are presented. It is further charged that the company refuses to sell to dealers who do not abide by its price list and will not place such dealers on its active list of customers until assured that they will not violate its price list.

**THE USE** of false and misleading statements in connection with the advertisement and sale of certain oil stocks is charged by the Commission in a citation directed to a company operating in El Dorado, Arkansas. According to the citation, misleading statements were made by the company with reference to the company's ownership and interest in certain proved oil fields, and the paying of regular monthly dividends. Similar charges against a New York company and a corporation doing business in Fort Worth were investigated by the Commission, with the result that the two concerns have been ordered to discontinue publishing, circulating or distributing any printed or written matter of any kind in connection with the sale or the offering for sale in interstate commerce of stocks or securities wherein is printed or set forth any false or misleading statement or representation to the effect that the property or operation of any corporation, association or partnership is near, or surrounded by producing oil wells, or any other false or misleading statement or representation concerning the promotion, organization, character, history, resources and assets, oil production, earnings, income, dividends, progress or prospect of any corporation, association or partnership.

**IN AN ORDER** directed to a cigar manufacturer in Pennsylvania, the Commission condemned the use of cigar labels and brands that in its judgment are misleading to the trade and to the general purchasing public. The Commission found, it says, that the manufacturer's cigars labeled "Tampa, Florida" and "All Havana Hand Made" were not manufactured in Tampa and were not made from tobacco grown in and imported from Havana. By the specific terms of the Commission's order the manufacturer must cease from



using the words "Tampa, Florida" and the words "All Havana Hand Made" in bands, labels, or legends on cigars and their containers manufactured by him in McSherrystown, or in any other place than the city of Tampa or the Tampa district in the state of Florida, or sold by him, if such cigars in fact are not made in the City of Tampa or the Tampa district in the state of Florida, and are not composed of tobacco grown in "and-or" imported from Havana, Cuba.

**THE** ISSUANCE and investigation of a complaint against a tailor with an establishment in Washington, D. C., has drawn a prohibitory order from the Commission, requiring that the tailor discontinue the use of the word "mills" as a part of the firm name or style of business, and that he must not advertise, represent or indicate that he owns, operates or has a connection with a mill manufacturing woolen cloth unless or until as a matter of fact he really owns or operates a mill of that kind.

**A** PROHIBITORY order has been issued against a dealer in dyestuffs and chemicals, with his place of business at Philadelphia. In its investigation of this case, the Commission explains that it disclosed the dealer's alleged practice of giving and offering to give to employees of certain textile mills without the knowledge and consent of their employers commissions and sums of money to induce the employees to obtain from their employers preference for the dealer's product. By the terms of the prohibitory order, the dealer is required to discontinue the practice outlined in this paragraph.

**F**ORMAL complaints have been issued by the Commission against two New Orleans concerns engaged in the buying and selling of rice. Both of the concerns use the word "milling" in the names under which they do business, and the Commission argues that they neither own, operate, nor are interested in any rice mill; and further, that the use of the word "milling" gives to prospective buyers the impression that they are saving the profits of all intermediate dealers by buying from the concerns named in the complaints, and that the impression is not borne out in fact.

**THE** use of false and misleading statements concerning certain competitors and a competing product is charged by the Commission in a citation directed to a New York selling agent for tacking machines and staples, who trades under another name. According to the complaint, the agent while continuing to buy and sell a certain make of machines and staples, began to sell another make of machines and staples, and that thereafter he pushed the sale of the second make in preference to the first. In his exploitation of the second make of machine, the agent made representations which the Commission says were not true. Among those representations, pointed out by the Commission, were: That the machines and staples first sold by him were and are no longer being manufactured and sold, and the machines and staples subsequently sold by him were and are taking the place of the first because of their superior qualities; that certain competitors had gone out of business and were and are no longer selling the machines and staples he first sold; that the machines and staples for which he first sold were out of the market or were being taken out of the market, and that it would be impossible to buy them in the future.

*A Tower  
of  
Strength*

## BANKING FOR COMMERCE

**B**ANKERS TRUST COMPANY is a bank for business men. In commercial banking it offers all they need. Among its depositors are leaders in widely varied lines of production and distribution. Its customers find its facilities suited to their requirements, supplementing in a banking way their own equipment for domestic and foreign trade.

This company also has many customers whose activities are not yet extensive, but who realize the value of a good banking connection in aiding the development of their business.

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Downtown Office: 16 Wall Street    Fifth Avenue Office: at 42nd Street    Fifty-seventh Street Office: at Madison Avenue

Paris Office: 3 and 5 Place Vendome



## Government Aids to Business

Whenever powdered coal has displaced lump coal stoked by hand, the consumption of coal has been reduced considerably, says the Bureau of Mines in announcing the issuance of Bulletin 217, published through the courtesy of the

Canadian Department of Mines, for which the bulletin was originally prepared. The possible advantages of pulverizing coal before burning are suggested to manufacturers and operators of coal-fired furnaces.

Those advantages, as pointed out in the bulletin, lie in the comparative ease of conveying coal to furnaces and in the practically complete combustion of the coal, with little excess air, in close contact with the material to be heated, thus avoiding the convection, radiation, and excess-air losses which accompany hand or stoker-fired furnaces placed outside reverberatory and other types of furnaces.

Difficulties encountered in burning powdered coal also receive consideration in the bulletin, and the dangers of fires and explosions in powdered-coal plants are discussed.

Bulletin 217 is obtainable from the Department of the Interior, Bureau of Mines, Washington, D. C.

Great care should be required in choosing, handling, and watching coal placed in ships,

### Pro and Con of Powdered Coal Told

says the Bureau of Mines, after its investigation of spontaneous combustion in bunker and cargo coal. The results of the investigation are presented in Technical Paper No. 326.

Recommendations for reducing the liability to spontaneous combustion include removal of fine coal and dust by screening, selection of the least friable of the coals available, uniform distribution of the coal to prevent segregation of the sizes, provision for ventilating funnels to carry off the explosive gases given off by some coals, prohibition of open lights in closed spaces where coal is stored, trimming of the coal in horizontal layers to prevent separation of the sizes by gravity, cleaning of bunkers and holds before filling with fresh coal, keeping the coal as cool as possible, and avoidance of placing it in contact with outside sources of heat such as steam pipes and hot air ducts, protecting bunkers from the heat of boilers and engines, moving the coal to cool it by contact with air, steam or water, provision of an adequate steam supply, hose, pumps, and other fire-fighting equipment, and provision for automatic fire-detecting apparatus in the pilot house or engine room.

More than seven hundred industrial physicians and surgeons throughout the country have been informed of new methods of detecting carbon monoxide gas, says an announcement of the Bureau of Mines.

### Prevention of Coal Fires On Shipboard

Experts of the Bureau have developed a simple and inexpensive instrument of a size to be conveniently carried in a coat pocket, and requiring no special training for its operation. By use of that instrument, the Bureau asserts, it is possible to discover within three minutes the extent that person has been affected by carbon monoxide gas through determination of the degree of poison saturation of the

blood. Formerly, it is said, from 24 to 48 hours were required to make diagnosis in cases of carbon monoxide poisoning, whether the diagnosis were made in hospitals or in well-equipped laboratories with the service of a skilled organic chemist.

The Bureau of Mines is hopeful that many lives will be saved through acceptance of the method of diagnosis now available, for with that method operative the proper emergency treatment may be applied promptly to persons exposed to carbon monoxide gas.

More than two hundred American and foreign journals have been utilized by the

### Petroleum Bibliography Prepared

Bureau of Mines in the preparation of its most recent bibliography of petroleum and allied industries under the designation of Bulletin 216.

Numerous federal and state government reports have also been searched.

Several thousand references are given to papers on the geology and origin of petroleum, its geological distribution, development and production, transportation, storage and distribution, properties and their determinations, refining and refineries, utilization of petroleum and its products, regulation and litigation regarding petroleum, and similar subjects. References are made in the bulletin to several thousand patents.

Copies of the bulletin may be obtained from the Department of the Interior, Bureau of Mines, Washington, D. C.

A guide to original sources for the major statistical activities of the United States Government is now available

### A Guide To Government Statistics

from the Bureau of Efficiency. The guide, presented in a pamphlet of 20 pages, lists the branches of the government service engaged in the collection of statistical information under each subject covered by the statistical activities of the Government, and also tells how often the statistics relating to any subject are published by the office making the original research.

Copies of the guide may be obtained by addressing the United States Bureau of Efficiency, Washington, D. C.

A decimal classification of radio subjects has been prepared by the Bureau of Standards

### Radio Literature Classified

for use in classifying the references to current radio periodical literature, which are published in each issue of the Radio Service Bulletin. The classification circular explains the significance of the number appearing before each reference in the list included in the Service Bulletin. The Bureau asserts that with a copy of the classification and a file of the Radio Service Bulletin, the literature on any radio subject may be quickly located. In the classification used in the Bureau's circular, the general field of radio is divided into nine classes, each of which may be subdivided as minutely as required. The number of classes used by any organization will depend upon how detailed a classification is desired, and that system can be expanded as far as required.

The circular, No. 138, is issued under the title of "Decimal Classification of Radio Subjects—An Extension of the Dewey System,"

*Your City  
can also have  
a New Hotel*

Your city needs a new modern hotel? Your city can have it!

Fayetteville, N. C., felt a few weeks ago just as your city now feels; that a modern hotel, while desperately needed, could not be easily obtained.

In one week's time, however, this corporation **OVERSOLD** the required amount of securities to make *their* new hotel an assured fact!

Does your city really **NEED** a new hotel? Undoubtedly we can help you get it!

Ask us for "Modern Hotel Financing"—it's gratis to readers of **NATION'S BUSINESS**.

**The Hockenbury System Inc.**  
Penn-Harris Trust Bldg. - Harrisburg, Penna.



and it is available from the Superintendent of Documents, Government Printing Office, at 10 cents a copy.

Comparisons of performance of modern high speed tool steels in "lathe breakdown tests" are presented in Technologic Paper No. 228, issued by the Bureau of Standards, and now obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 15 cents a copy.

The report includes a description of tests to determine the endurance of tools under definite working conditions, and also points out the limitations of that method of testing when applied to the purchase of steel. A classification of the modern steels on the basis of their chemical composition is used in the report in discussing the results obtained from the tests.

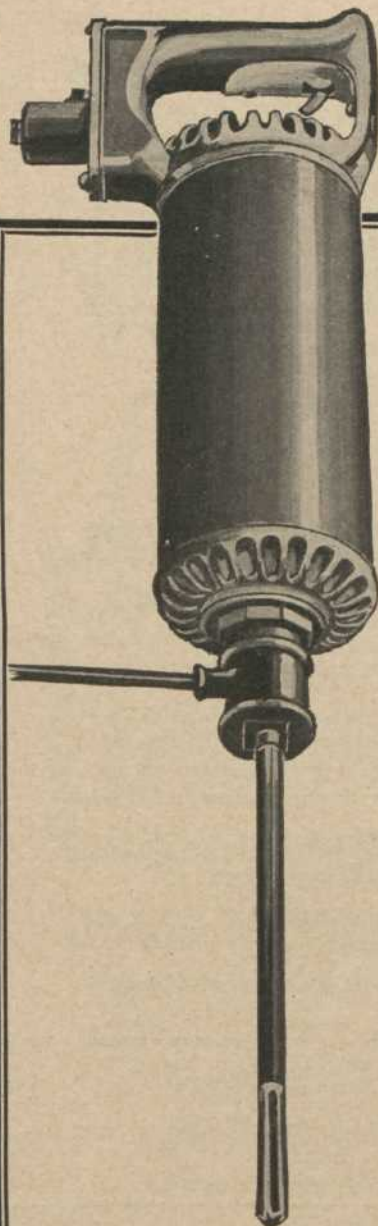
More information is desired on the cooling properties of the ordinary quenching liquids used in the heat treatment of steel. To meet that desire, the Bureau of Standards has set up suitable apparatus and has made a few preliminary experiments on quenching nickel cylinders in water. The Bureau also hopes to obtain information on the dimensional changes which occur during the hardening of steel.

A protection for orange trees against frost has been devised by the Bureau of Standards as a result of its experiments with the application of aluminum paint to paper hoods for the trees. Paper, like cloth, has a high emissivity for infra-red rays, the Bureau says, and to prevent rapid cooling of the trees, the paper hoods used to cover the trees during frost periods should be coated with aluminum paint. A decrease in the emissivity of roofing and tent materials has also been accomplished by the application of aluminum paint.

Service tests of china tableware are now in progress at the Biltmore Hotel in New York City, and similar tests will be made at other hotels in accordance with arrangements of the Bureau of Standards. Samples of the ware tested will be sent to the Bureau for laboratory examination, and large lots of similar ware will be used in hotels and examined at intervals to correlate observations of the ware in service with the determinations made in the laboratory.

A series of stone beams are now under load tests at the laboratories of the Bureau of Standards to determine whether stone breaks or is permanently deformed under continuous stress which is considerably less than the breaking stress. The beams are loaded to approximately two-thirds of the breaking load, and will be kept under that stress for a long period.

Engineers of the Bureau point out that broken lintels and other stone structural members are common sights, and that failures have occurred where the load could not have been near the theoretical breaking load. Those failures would seem to indicate that



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HERE are the outstanding features that make the Syntron Electric Hammer unique in its field:

It takes its power from an electric light socket and needs no additional power equipment.

It can be carried around as easily as a suitcase.

It's on the job all the time. It doesn't get out of order for the simple reason that it has but *one* moving part—a hardened steel hammer head that works back and forth in a cylinder.

Its power is so great that it can drive a hole  $1\frac{1}{2}$  inches in diameter in solid concrete at the rate of three inches a minute. It's at least eight times as fast as hand work—"fifteen times as fast" says one enthusiastic user.

The SYNTRON ELECTRIC HAMMER is saving time, labor and money on hundreds of jobs now. If you have use for a power hammer for drilling or chipping masonry, chipping metal or light riveting, the Syntron can undoubtedly reduce your own operating costs materially.

Write today for descriptive literature and prices

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## Weis No. 1924 Will Do All Any Higher Priced Letter File Can Do

When you purchase a filing cabinet you want one that is equipped with smooth, quiet working drawers, that is well constructed to stand years of wear, that is handsome in appearance. The Weis 1900 line cabinets will meet these requirements. Made in Light Oak, Letter and Cap widths, three and four drawer heights. Imitation Mahogany or Walnut finishes 10% extra.

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Any one of our more than 5000 dealers can supply you with this cabinet or any of the 1500 other Weis products. Orders filled direct from factory if preferred or necessary. Send for our free booklet—"Filing Suggestions" and large catalog of Filing Equipment, Supplies and Sectional Bookcases.

**\$24**  
**FREIGHT  
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in Eastern and Central States. \$30.00 in South, Southwest and West.

Note the Many Features of this Handsome Sturdily Constructed Roller Bearing File

Flat Top  
Panellled Sides  
Panellled Back

5-Ply Built-up Quartered Oak Drawer Fronts Flush with Cabinet

Non-Warping Construction



The Weis Manufacturing Co., 92 Union Street Monroe, Mich. (New York 52 Park Place)

stones break because of fatigue, the engineers believe, and break at much lower stresses than those obtained when tests are made.

Deflection measurements will be made from time to time to determine whether there is a continuous sagging and whether there is a permanent deformation due to the load.

The American Zinc Institute and the Bureau of Standards are in cooperation toward

### Strength of Zinc Roofing

a determination of the loads to which corrugated zinc roofing may be safely subjected.

Builders and manufacturers of zinc roofing are interested in the investigation, the Bureau asserts, for the question of the proper use of zinc is of great economic importance, and as zinc is used very successfully in Europe, it would seem that it ought to find a place among the roofing materials used in this country.

Tests of several sizes of steel wire rope on sheaves disclosed to the Bureau of Standards

### New Data on Wire Ropes Available

that the strength was less than that of straight rope having socketed ends. The object of the tests was to determine

the strength of  $\frac{5}{8}$ ,  $\frac{3}{4}$ ,  $\frac{7}{8}$ , 1, and  $1\frac{1}{4}$  inch wire rope under static load, using rope of 6-strand, 19-wire construction, made of plough steel. Considering the strength of the straight rope as unity, the Bureau found that the strength of the  $\frac{5}{8}$ -inch rope on 10-inch sheaves was 87.4 per cent, and on 18-inch sheaves, 95.3 per cent. The  $1\frac{1}{4}$ -inch rope had a strength of 75.8 per cent on 10-inch sheaves, and 84.7 per cent on 18-inch sheaves. The other sizes had corresponding strength values.

The results of the tests are presented in Technologic Paper No. 229 issued by the Bureau of Standards, and for sale by the Superintendent of Documents, Government Printing Office, at 10 cents a copy.

A commercial handbook of the Netherlands East Indies and British Malaya has been

### Dutch and British Lands In Handbook

issued by the Bureau of Foreign and Domestic Commerce, Department of Commerce. The book offers information collected by a trade

commissioner during a residence of about three years. Included in the handbook is an adequate discussion of the import and export trade of the Netherlands East Indies and British Malaya, with which the United States has had a direct trade averaging more than \$300,000,000 a year.

The handbook, containing more than 400 pages, may be bought from the Superintendent of Documents, Government Printing Office, Washington, D. C., at \$1 a copy.

Copper hardens very rapidly under deformation during cold-rolling, but the maximum

### Copper Deformation Studied

degree of hardness is soon reached, says the Bureau of Standards, with the accompanying explanation that the

metal becomes softer as the deformation process is continued, so that in its final condition it is much softer as measured by the scratch test, than before cold-rolling. That behavior of copper was disclosed in making an investigation of the instrument used for the determination of the scratch hardness of metals.

Other metals will be studied under test to



determine whether the behavior of copper under cold-rolling is peculiar to that metal or more general in its nature.

An investigation of the thermal stresses developed in the plates of car wheels through heating of the rim during long brake applications has been completed by the Bureau of Standards. This work is described in detail in Technologic Paper No. 235 of the Bureau of Standards, available from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 15 cents a copy.

Proceedings before the Kansas Court of Industrial Relations have studious report in Bulletin No. 322, issued by the Bureau of Labor Statistics, Department of Labor.

The report gives the text of the law, which was passed in 1920, a synopsis of the cases filed on the industrial side of the court during 1920 and 1921 showing the methods and principles adopted by the court in its various actions, and an account of the legal proceedings arising in connection with the attendance of witnesses before the court, and other activities of the court.

A résumé is also given of the annual reports which have been published and a bibliography of books and articles relating to the court is appended. The bulletin is based only on official data and presents no other viewpoint or comment than that of the court under consideration, or of the courts discussing it.

Keep an eye on gas burners, says the Bureau of Mines, warning that improper combustion of natural gas in heating appliances in common use may liberate carbon monoxide, an insidious and deadly gas. Tests were made by the bureau at its experiment station in Pittsburgh, following announcements in Pittsburgh, Baltimore and other cities of many deaths traceable to carbon monoxide.

Incomplete combustion of any carbonaceous material may produce carbon monoxide, and death may be caused in a short time by the presence of the gas in quantities as low as .2 of 1 per cent. Not more than .01 of 1 per cent of carbon monoxide should be present in an atmosphere to which persons are continuously exposed, asserts the bureau.

The results of the bureau's investigations, together with suggestions regarding the operation of radiant-fire heaters burning natural gas to prevent liberation of carbon monoxide, are given in Serial 2443, which may be obtained from the Bureau of Mines, Washington, D. C.

Drawings have been prepared of the machine designed by the Bureau of Standards for testing the wearing qualities of different kinds of sole leather.

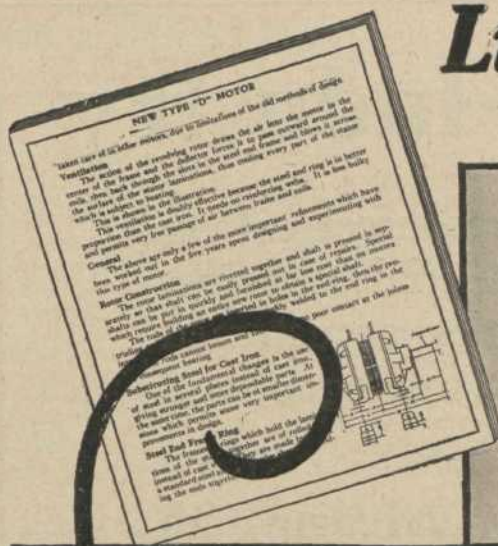
The drawings show the construction of the machine and will be available for distribution to persons interested in the testing methods. The Bureau wishes to determine whether the apparatus can be used for control as well as research, and to that purpose is now in communication with a shoe manufacturer who may supply sufficient samples for a test period of six months.

### Stresses In Car Wheels

### Kansas Court of Industrial Relations

### Mines Bureau Tests For Carbon Monoxide

### To Measure Wear of Soles



**"ONE** of the fundamental changes is the use of pressed steel in several places in place of cast iron, giving stronger and more dependable parts which permit very important improvements in design."

## "Press It from Steel Instead"

Youngstown redevelopment engineers designed the pressed steel motor rail shown above for the Lincoln Electric Company, with these results:

1. Increased production
2. Greater similarity of parts
3. Elimination of breakage
4. Decreased weight
5. Smoother surface for finishing.

## Improve Your Product

There are few places where cast parts cannot be redesigned into pressed steel parts that offer possibilities for "very important improvements." Our engineers will welcome a sample or blue print of any cast part you are now using and will be glad to tell you what "pressing it from steel instead" can do for you.

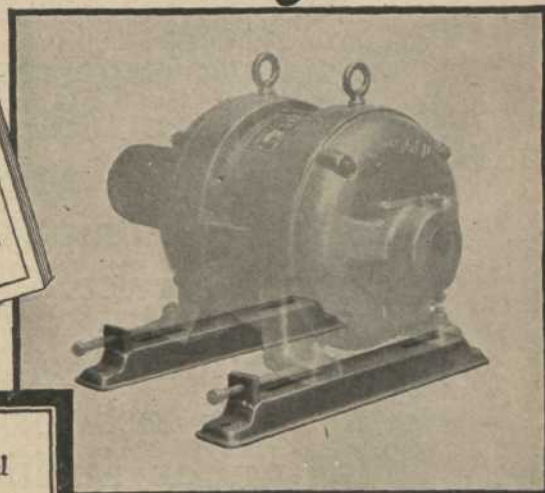
### YOUNGSTOWN PRODUCTS FOR MANUFACTURER & BUILDER

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| TOOL & WEIGHT BOXES - SEATS<br>LEVER LATCHES - FURNACE & GONG WHEELS<br>BARROW TOOTH CLAMPS - EXHAUSTOR SHIELDS<br>LAND ROLLER HEADS | RADIATOR SHELLS - CRANK CASES<br>HOUSING COVERS - BRAKE DRUMS<br>CLUTCH DISCS - STEP HANGERS<br>HUB FLANGES | LIFT TRUCK PLATFORMS - TANK HEADS<br>INDUSTRIAL CAR WHEELS - WHEEL DISCS<br>HATCH CLEATS - BARREL HEADS<br>COMPOUND BOXES | MACHINE GEARD & FACTORY PARTITION MATERIAL<br>COED FORMED CHANNELS - L-ANGLES - BOTH HEAVY & LIGHT<br>YOUNGSTOWN & PINEER CORNER BRAD EXHAUSTOR WHEEL<br>MAHONING, ZEE & IDEAL METAL LATH |

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## Lincoln Motors Say



Phantom View of Lincoln Motor showing how the motor is mounted on Pressed Steel Rails.

Unretouched photograph of Cast Iron Rail—Weight 14½ lbs.



Unretouched photograph of Pressed Steel Rail—Weight 10½ lbs.



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We have large resources, a long experience in industrial financing, and an organization accustomed to giving prompt, intelligent and effective service.

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Established 1865

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### This square cooler uses 25% less ice

By using whole cakes of ice Jewett Water Coolers perform a double economy; eliminate both the waste of cracked ice—and the time and labor of cracking it.

Installed in connection with the regular water system Jewetts hygienically provide a constant supply of refreshing, cooled drinking water—that energizes your workers and stimulates production.

Send for complete information and direct from factory prices.

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Established 1849  
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**JEWETT**  
**SQUARE WATER COOLER**  
Uses 25% less ice



If you would run your Power Plant on an economical basis it will pay you well to look to your piping. Not only is the actual loss of steam a considerable item, but the time lost in shut-downs for repairs runs into many hundreds of dollars in a year's time.

This amount is the difference between good piping and poor piping—well designed and installed equipment against faulty designed and installed equipment.

Would it not be well to know that your piping is going to be efficient and do the service for which it was intended before you install it?

Call on our engineers. Out of many years of experience their advice will be found of value. They will work with your consulting engineer or design and erect the job themselves.

Send for our catalog "Dimensions for Piping Equipment." It contains much information that will be useful to anyone dealing with Power Piping.

**National Valve & Manufacturing Co.**  
3100 LIBERTY AVENUE  
PITTSBURGH, PA.

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**National**

## If Money Isn't Stable, Can Business Be?

**STABILITY** is an essential to commerce. Otherwise, each transaction involving the future—and if industry and commerce are not to revert to the basis of the Middle Ages they require transactions involving the future—becomes a speculation instead of setting in motion the orderly processes of production and distribution in ways that can be calculated and that will permit reduction of costs to their minimum. Stabilization means enlarged production, because it lets everyone proceed upon a basis of future plans; lack of it means restricted production and narrows distribution.

Instability in a currency hampers trade; for each contract involving production and performance is made without knowledge of the value the currency will have when it is received. The German mark has in public opinion succeeded earlier examples of instability, and the difficulty for Germans who contract in its terms is very understandable. In normal course, many contracts contemplate completion in six weeks. If any German manufacturer on October 1 contracted to receive a stated number of marks on November 7, and thought of marks as they existed on October 1, he must have been filled with consternation when the value of marks fell from 1,800 to the dollar on October 1, to 8,392 to the dollar on November 7.

When the German business man comes to figure his income tax he is obviously entitled to sympathy. As expressed in marks, the value of his inventory, even though it has physically remained constant, will have multiplied many times over in the year. Although the government may purport to allow some adjustment, governments are notoriously inadequate in meeting such conditions and the taxpayer is pretty likely to find himself drawing up a statement of net income which he knows to be chiefly fictitious, in that it represents more capital than income.

### The Cost of Reproduction

**IT IS** not strange, therefore, that the relation between costs of production and costs of reproduction has become a principal subject for private and public discussion in Germany. When a German merchant makes a sale, he naturally wants to obtain a price which will enable him to replenish his stock. Consumers who are hard pressed by reason of the vagaries of the mark and the effect upon their cost of living, incline to look, when judging reasonableness of prices, to the cost of production—at an earlier day or month when the mark had a greater value and a particular piece of merchandise was manufactured.

The present German Government has taken sides with the consumers. Under the law against profiteering passed before the armistice, the courts are today taking the same point of view, and test reasonableness of prices by the cost of production when the article sold was actually fabricated. So it happened that when a merchant was recently brought into a German court, because in February, 1922, he sold at 84 marks a yard, cloth which he had bought in January at 38 marks, he contended that nothing less than 84 would permit him to replace the cloth at February prices. The court agreed with his contention as to the facts but refused to follow his conclusions. He was convicted of profiteering.

His only consolation lay probably in that he paid his fine in marks that had fallen far below even their February value.



## Nation's Business Observatory

THE IMMEDIATE course of building operations throughout the country is shrouded in a mist of conflicting reports. From the East comes word that work on some projects is to be suspended until labor and material costs are more favorable. Straws that point out the direction of the industrial winds are seen by the *Commercial and Financial Chronicle*, with its recorded belief that:

A halt in building, moreover, not only seems imminent, but has begun. On Monday the trustees of Columbia University voted "temporarily" to suspend their ten-million building program, and the Thompson-Starrett Company followed by deferring work on a large contract until conditions are stabilized; an orphan asylum similarly laid aside its plans for a new building; the telephone company's new 29-story central office and administration building which was to start next month and to cost over eleven millions, has been halted, "in the hope that the cost of building work may become more reasonable," and the total of projects which have recently been suspended has been variously estimated as from twenty-one to fifty millions; whether this kind of "buyers' strike" will bring a general halt of building is a matter of conjecture, awaiting "developments."

That measure of the factors controlling construction had confirmation in New England. There are no important signs at present to indicate that the recent slowing down of orders was of more significance or more fundamental than earlier ones, says the *Monthly Review* published by the Federal Reserve Bank of Boston, but:

Nevertheless, it should be noted that two of the largest industries—building and cotton manufacturing—are not doing as well in New England as in other parts of the country.

And the First National Bank of Boston, in its *New England Letter*, reported that:

The labor situation is particularly acute in the building trades, whose problem is further complicated by delayed deliveries. As a consequence there have been recent indications of the withdrawal of large construction projects for the present.

A note of optimism was sounded by the National City Bank of New York, which was inclined to the belief that:

The industrial situation seems to be well supported by the great amount of construction work in sight.

No sign of a "buyers' strike" is seen by brickmakers, announces *The American Contractor* with reprinting a part of the *Monthly Digest* published by the Common Brick Manufacturers' Association:

There is nothing in the current months' reports from the common brick manufacturers of the country to give support to the "experts' prediction of a building slump. While some statisticians are trying to figure out that there will be a buyers' strike during the last half of the year, the orders are piling up on the books of the manufacturers. It is not our intent to put too optimistic a tone in this report, nor do we intend to criticize those who study figures and work out the business cycles. A great deal of material that is being delivered today is on jobs that were started in 1922. At the same time there are a great many new operations getting under way, and it would appear at this time that there will be about all the work in the construction field that the labor supply is able to handle.

But the *Contractor* is positive that other

important facts not included in the *Digest* should not be ignored, for:

Despite the fact that face brick has not increased to very great heights on the market in most centers, there are other materials that have not only hit the ceiling, but are endeavoring strenuously to pierce it and advance to still greater heights. Labor is demanding and getting higher wages. This means that a \$9,000 two-flat building, 1913 base, now costs \$15,000. We have heard of at least four great projects in the Chicago market that will not be started at this time because of the high market, but which will be held up until the conditions are more favorable. One is the Jackson Shore Hotel, planned to cost \$5,000,000; the other the Harper Hotel, to be built at a cost of \$4,500,000.

Lumbermen are also concerned over the possibilities, and their interest is reflected by *The American Lumberman*, with saying that:

Whatever lumbermen may think of conditions at present, it is quite clear that they are exciting a great deal of interest if not anxiety in other fields. With a steadily expanding demand for lumber and other building materials a corresponding stiffening of prices is to be expected. Just how far the process will go before the prices will check the demand nobody can say with certainty; but that there is a fear that the stage will soon be reached is indicated by Secretary Hoover's suggestion that public work be held in abeyance until essential construction needs have been satisfied. This proposal immediately raises the question, "What is essential?"

Residence construction of most kinds has been going on at an unprecedented rate for some months, and yet nobody will say that the supply of homes has begun to balance the need for them. The railroads have planned a program for construction that even exceeds that proposed by the late J. J. Hill as essential to the expanding needs of the country's industry and commerce, including equipment that requires vast amounts of lumber as well as terminal improvements and extensions that also make heavy demands upon the forests. Lumbermen realize the importance of these railroad improvements to the lumber industry, aside from the demand for lumber that they create; and the carriers feel that their best defense against radical legislation is adequate transportation facilities.

### Keen Competition for Labor Reflected in Wage Increases

THE INTER-RELATION of wages and immigration is reflected in editorial views of recent increases of rates authorized in important industries. As seen by the *American Banker*:

There is no question whatsoever that if it was not for the present immigration law, that we would be receiving large numbers of immigrants. However, the basis of the 3 per cent law was not economic, but sociological in its intent. It was passed with the idea that if we continued to receive great amounts of alien people at the rate we did during the ten years before the war we would not be able to amalgamate them sociologically or politically. They would remain alien populations and we would thus endanger the fundamentals of our American Anglo-Saxon civilization. This view has decidedly prevailed among our middle class and continues to prevail just as strong today. As far as rising wages and labor shortage is concerned, wages will continue to rise very little more because rising costs will soon diminish demand. Doubtless this factor may serve to check expanding business to some degree, but whatever check we receive from the causes of restricted immigration will be more than amply repaid by the sociological advantages of not receiving alien populations at a

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rate incompatible with our power to Americanize them.

A measure of the sensitiveness of security markets to an increase of wages receives a word of comment from the *Commercial and Financial Chronicle*, which says:

The action of the United States Steel Corporation in making a further advance in wages—a step which the outside steel companies were obliged to follow—has been the event of the week. The action is not viewed with unalloyed satisfaction. The truth is, the increase is one of the results of the intense competition existing for the available supply of unskilled labor. The steel trade, is, of course, very active and apparently in flourishing condition. But regardless of the record production of iron and steel and unfilled tonnage for the Steel Corporation larger than for any month since January 1921, there has been no real response in the security markets, and steel bonds are selling considerably below the high levels of 1922.

The consumer's position with regard to the higher wage rates and the prediction that the agitation for increase of pay will affect all industries have place in the observations of the *Manchester Guardian Commercial's* New York correspondent, who tells his paper that:

The example set by one of the independent steel companies in raising the wages of its laborers 11 per cent was followed by practically all the other steel companies, not excluding the Steel Corporation. The increase has come much sooner than expected, and there are many who doubt its wisdom at the present juncture, as steel companies generally, while undoubtedly enjoying a high rate of activity, have not, on the other hand, been making very considerable profits out of their operations. It is pointed out that last year neither the Steel Corporation nor the Bethlehem Steel Company, the two largest steel companies in the country, was able to pay its full dividend without digging into reserves.

If the wage increase is passed on to the consumer it will mean another \$1.75 addition to steel prices, and there are already indications that the advances in the price of steel made since the beginning of the year are about all the market can stand, without resulting in a curtailment of buying. On the other hand, it is possible, now that the rise in wages which, it was felt, was inevitable sometime or other, has become an accomplished fact and its extent is known, that there may be a stabilizing tendency in the market, as the uncertainty in regard to future labor charges has in the past been a not inconsiderable factor in the irregular advance of prices.

The advance in wages in the iron and steel industry is incidentally the fifth which has taken place in the last month in what can be regarded as leading industries. The first advance occurred in the woollen industry. This was followed by advances in the cotton industry and in the brass and electrical supplies trades. In several other industries there is considerable agitation for increased wages, and it would appear therefore that before the summer is out the wage inflation movement will become general to all industries.

### Electrical Center Moves From Coast to Illinois in 40 Years

WESTWARD the electrical center of the nation takes its way, announces the *National Electragist* in an appraisal of the geographical progress of our population and of our primary industries. The reader is told that:

The Atlantic Seaboard in and around New York City can broadly be said to be the location of the inception of the electrical industry, and approximately at that time the population center of the United States was located at the extreme southwestern corner of the State of Ohio. The last census report, forty years later, shows the latter to have moved westward only

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about two-thirds of the distance across the State of Indiana, or about one-eighth of its entire trip. During the same period the electrical center has jumped from the eastern coast to the State of Illinois—ahead, be it noted, in these same forty years, roughly an eighth of the distance that it has taken the population center to travel this same distance in one hundred and thirty years.

The electrical center is far ahead of the center of manufacturers having installed power capacity, and not far behind the center of agriculture or improved acreage. These are figures—better say, these are conditions—which should be carefully considered by the whole electrical world. They should be subjects for self-congratulatory thoughts and inspiration for security of feeling in future planning for unlimited electrical progression.

### No Crops To Get High Prices Regarded as Bad Business

FARM PAPERS as interpreters of economics are not infallible, suggests the *Price Current-Grain Reporter* in taking note of the philosophy of production as reflected in journals serving agricultural interests, for it asserts that:

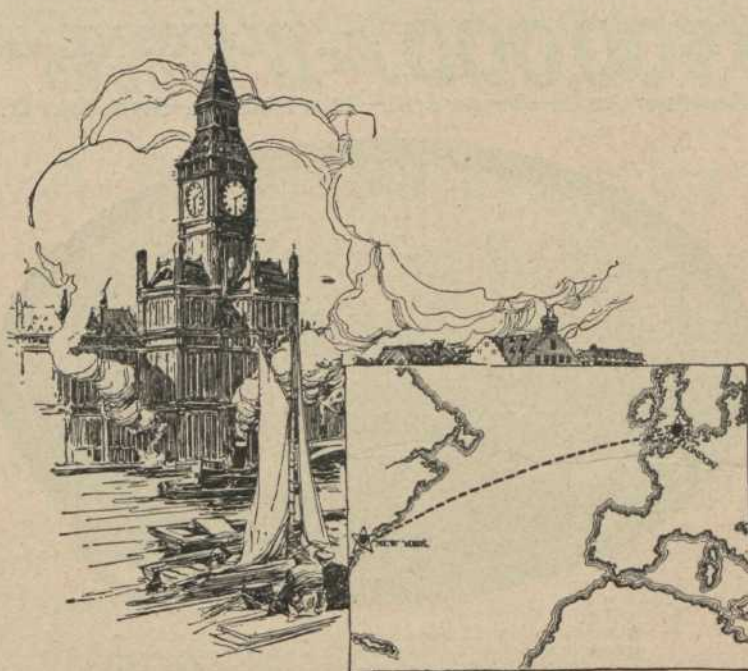
The philosophy of curtailed production of corn and perhaps some other crops, taught by *Wallace's Farmer and Farm, Stock and Home* (Owen) is not likely to get very far. Cutting down production is like going on strike—it curtails income and the loss can never be recovered. The higher price due to true scarcity is very comforting to the man who has his barns and granaries full, but not so to the man who may have cut his production, or at least has no surplus to sell. The theory is fine—in the editor's chair or in a Farm Bureau talk; but the practice of raising no crops to get high prices means starvation or loss of a year's time to the simpleton who follows the advice to reduce acreage; and few there will be who will do so.

### Study Suggested To Show Any Economies of Motor Highways

GOVERNMENT appropriations for building or maintaining roads and water routes for public use constitute an overhead charge to be met by taxation, explains the *Railway Review* in a consideration of motor truck highways. It is not to be disputed, the *Review* contends, that the state of perfection in the development of the automobile is a long way ahead of the construction of suitable highways on which operation is possible. Suggesting the need for an adequate investigation to determine what transportation economies may be expected from the building of motor roads, the *Review* argues that

As yet, but little is known about the cost of this new service were it ordered that it should be conducted on a self-supporting basis. Thus far, estimates of cost on the building of roads suitable for automobile truck transportation are not well formulated, and knowledge of the cost of maintaining these roads is vague indeed. One thing is certain, and that is that but little or no road of a permanent character is being built, and although a great deal of hard surface road has been constructed in the last ten or a dozen years it is doubtful if, on the whole, the roads are in much better condition than they were a decade ago, for they are wearing out about as fast as they are being built, and there is no systematized plan for maintaining them. The thing to bear in mind in this whole question is that, so far as the automobile truck can be made effective, it has introduced a new class of service in the transportation of goods, namely, an express service in place of freight carriage, as commonly understood, but it is at a cost which will most likely remain permanently higher, just as the man who hires a taxicab pays a higher rate of fare than when he rides on a street car.

When it comes to building roads that can bear



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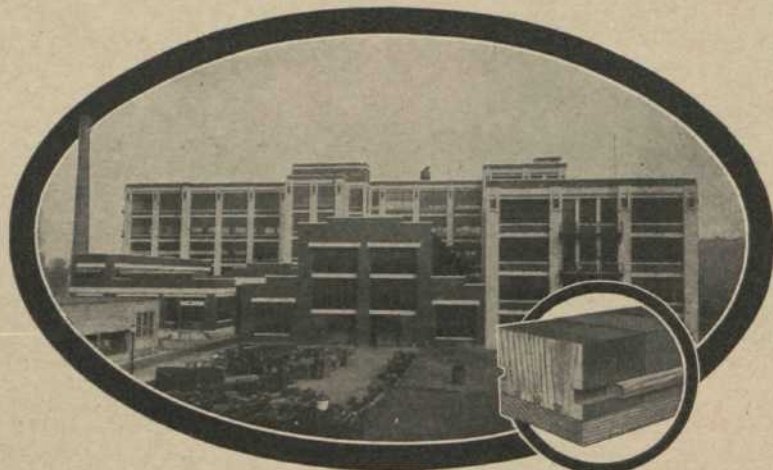
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\* Figures based on a complete investigation of all subscribers in twelve cities

up under five-ton trucks and trailers operated at high speeds, with low grades and easy curvature, with belt lines around the cities, grade separation at street and road crossings, and all that, the real cost will likely be found something near, if not more than, the cost of first-class roadbed and track construction for the railroads. The real expense of the auto truck express service will then begin to appear, and the public will hardly escape paying all that this superior service costs. If such cost is to be met by license or wheel tax, the direct result will be higher tariffs; and if met by taxation the higher cost to the public will be just as sure. The improved service will, of course, improve the standard of living, which cannot but increase the cost of living for the whole public.

## Shoe Styles from Paris and Egypt—Some Just Thought Out

INTEREST in the origin of shoe styles moves *Hide and Leather* to make report on the sources of fashions for footwear. Explaining that methods of creating shoe styles are many and varied, *Hide and Leather* tells its readers that:

Several firms import shoes, or pictures of shoes, from Paris, the world's fashion center, and adapt them to the American trade. Most of these Parisian styles are custom made. Egyptian styles are, of course, developments of ideas that have come from Egypt after the opening of the tomb of Tut-Ankh-Amen.

One manufacturer, who is an authority on styles, made a serious study of the history of apparel, and supplemented it by exchanging information and opinions with some of the country's leading producers of shoes and leather. Another man, a designer for a successful novelty house, "just thinks them out." He has a gift for creating new patterns that become fashionable, just as some men have a gift of writing popular songs.

Some shoe firms get many style points from retail merchants through their salesmen. Others rely on the professional designers and pattern makers, but it is probable that most styles are just variations on styles that appear in the high-class trade.

## "Doughnut Tires" on Autos Of Future, Says Rickenbacker

"DOUGHNUT" tires, smaller and more efficient motors of four, six or eight cylinders in line, four wheel brakes and four doors on all cars, with higher prices for all types of cars, are among the outstanding attributes of the automobile of the future as foreshadowed in the vision of Capt. E. V. Rickenbacker, famous ace of America's wartime air force now identified with the manufacture of motor cars. In an interview published in the *Manufacturers News*, Captain Rickenbacker explains that:

The "Doughnut" tire gets its name because it has the appearance of the old-fashioned cruller—small hole, large, well filled, puffy circumference. It rides a car on twenty pounds of air pressure per square inch—instead of 80—and absorbs bumps and jolts. Running over a two-by-four piece of lumber is unnoticeable with the new tire; it is so elastic it absorbs the impact. The new tire will practically eliminate the wheel. The large tire will be placed on the hub and brake rim, which will probably be integral. Steel "wheels"—if the remnant that will remain can be called a wheel—of the type which will come with the new tire, will be universally used.

"I say this type of tire will come if experiments now being made prove all the claims made for it by some tire experts," says Captain Rickenbacker. "V-type motors will soon be obsolete; the standard power plants will be of four, six or eight cylinders, all in line. Four-wheel brakes will be demanded by American buyers as they are now insisted upon by the Europeans.

"Another development: All closed cars carrying



more than four passengers will have four doors. The two-door type has already run its course. Even its cheapness did not justify it, nor compensate for its inconvenience.

"The increased cost of gasoline and the danger of a steady increase through wasteful consumption, will undoubtedly bring about tax laws resulting in a demand for smaller and more efficient motors. Small cars, with big cylinders and low efficiency, unnecessarily waste fuel. They must go.

"Prices must and inevitably will advance all along the line, and that in the very near future. Everything indicates this and, although manufacturers generally are disinclined to do so, the logic of circumstances dictates they must."

### Direct and Indirect Lighting All a Matter of Psychology?

**N**O SUBJECT related to illumination has been the cause of more controversy than the relative merits of direct and indirect lighting is a statement that has place in editorial comment of the *Electrical World*. To provide an adequate background for the reader's understanding of the controversy, the *World* amplifies its conclusions with saying that:

The quarrel has not been merely a commercial one such as might be reasonably expected, but a technical one also, and in that aspect there is less reason for variations of opinion. A number of so-called practical studies have been made dealing with the properties of light falling directly on the page and falling upon it after reflection from the walls and ceiling, and utterly diverse data have been obtained. The probable cause of these striking discrepancies is the fact that any investigation of this sort tends to emphasize psychological rather than physical values, values therefore determinable only in vague impressions of comfort and discomfort, of ease and difficulty, of fatigue and facility.

In any tests made upon the eye other factors than the ordinary ones of shade perception and acuity of necessity enter. The particular kind of work attempted, the extent to which the several illuminations are pushed above the limit for moderate acuity, the contrast of the things observed and the length of time for which the observations may be continued, all are things which enter the final judgment as to the sufficiency of the illumination received. There is added to these causes of uncertainty a still greater one in the element of unconscious suggestion in the manner of the test or the instructions given for carrying it out. It would not be difficult to make a given group dissatisfied with almost any system of illumination without an expressed word of disapprobation. As a matter of fact there can be no sweeping decision between direct and indirect lighting. Some of the worst and some of the best examples of illumination alike belong to each.

### Safety Campaigns Cause Cut In Motor Vehicle Insurance

**C**ONVINCING evidence that safety first campaigns have yielded beneficial results is shown by the announcement of the National Casualty and Surety Underwriters that reductions in motor vehicle insurance rates had been made because of the decrease in the loss cost per car last year, asserts *Automotive Industries*. Car owners will gain most by this action of the insurance companies, declares that journal, and it then offers the supplemental statement that:

This brings to light the interesting fact that the number of accidents due to motor trucks has decreased while accidents from passenger cars have shown no proportional improvements. This may be explained partially by the fact that commercial vehicle operators had most room for improvement and hence were subject to closer supervision to eliminate the reckless driver.

The automotive industry should welcome this

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step by the large insurance companies, as it is a movement in the direction of reducing the fixed charges of motor vehicle ownership. There are many people who find these charges an obstacle to ownership of a motor vehicle for which no reduction of operating costs will compensate.

Decrease in the number of accidents, loss of life and expense of owning a motor vehicle will furnish more ammunition for safety first campaigns, and all will help the industry in the long run.

### Public Feeling an Arbiter Of Chain Store Expansion

LEGISLATION to put chain stores out of business is not likely to prove desirable or possible, in the opinion of the *San Francisco Grocer*, which is inclined to rely on public feeling as the source of any needed remedy, rather than on "what the lawyers who propose such a bill say." In passing the editor pays his respects to San Francisco cafeterias.

Few towns are so free of chain stores as San Francisco. This is ascribed to the topography of the city, which is so hilly that numerous natural divisions are created which are best served by individual scores and where credit is usually given.

We believe also that dealers of this type usually handle a higher quality of goods than the chain cash stores and very likely this is one reason why the San Franciscans do not encourage the chains.

We have referred before to the unfortunate prevalence of cafeterias in San Francisco, which, with their huge size, their music and their big array of poorly cooked foods manage to obtain as good prices as the smaller restaurants do for better food properly cooked. We can only ascribe this situation to the vitiated taste of the public and trust that chain groceries will never succeed in bringing about a like condition in the grocery line.

But even so the remedy must come through the suffering of the public rather than from legislative efforts.

### They Wireless News of Schools of Fish

RADIO and "spotting" from aircraft promise to revolutionize the age-old business of French fisher fleets in the North Sea. Wireless as an adjunct to both fishing craft operations and marketing is already an established practice. Spotting of shoaling schools by naval airmen and instant radio reports to the fishing fleets is in the experimental stage off the French coast near Rochefort.

France is fostering the old, old industry jealously. The current French budget provides the equivalent in francs of \$5,000,000 to go into the fishing fleets and special port works like refrigeration. Young men with progressive ideals are being encouraged by the government to turn to the sea and its creatures for a livelihood. Fishing has been modernized under such stimulation until the slow-moving folks of English fishing communities have felt the pinch of cross-channel competition and are urging the study of radio application to their fishing craft.

Through wireless touch with market conditions, French trawlers inbound with heavy cargo are steered clear of ports where markets have been glutted by earlier arrivals. Skippers are able to determine at sea where their particular catch will bring the best prices.

More than that: trawlers hundreds of miles away on the Iceland and Newfoundland banks are marketing by radio almost as the fish come in over-side. Messages exchanged with brokers in the fishing ports are fol-

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lowed by broker sales to dealers, and fish taken thousands of miles away are consigned to particular tables in Paris or elsewhere almost as they leave the water.

The first radio plants went into French fishing craft in 1911. By 1914, when the war came, only a score of craft had been fitted out. By 1921 there were 200 French trawlers at work capable of talking with each other or with shore, and today there is hardly a large or medium-sized boat in the business under the French flag but carries its radio plant and operator.

Tales of successes scored by the French fishermen over English or German rivals are frequent in the French fishing ports. In one case an intercepted English message told of big herring catches and brought the French fleet swarming down to reap the harvest made possible by an English find. English boats nearby, but unequipped to "listen in," got no hint until too late.

Through government expenditures, the naval airmen's work, postal service celerity in relaying radio messages from the fleet to their destination by telephone, and in countless other ways, the French Government is moving zealously to make the French fishing industry a live, modern business enterprise. Schools in the fishing ports are working to produce radio operators for the trawlers from among the young men of the fishing crews. The plan is one of economy. To carry on the ship's rolls a man who is a radio operator and nothing else is an added burden. To carry a man trained in ship's work but able also to run the radio plant would cut the cost.

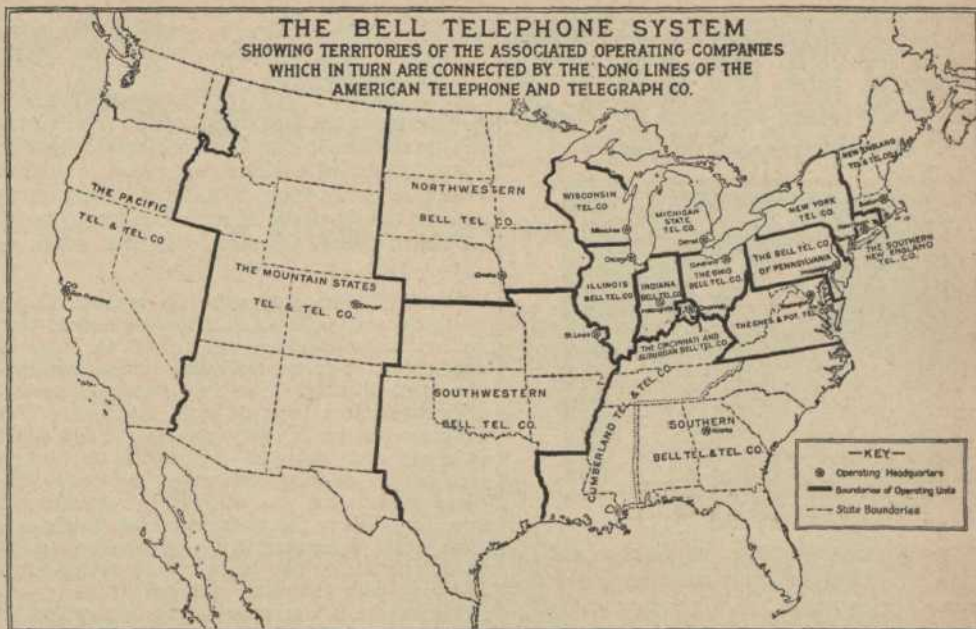
#### Sea or Union?

THE first fisherman-radio operator class is about finishing up its radio course at Boulogne-sur-Mer. Now, however, the question has arisen whether they are to be lured away from the sea and become union telegraph operators, to be rated and paid as such, or remain merely fishermen, sailing at fishermen's wages, but drawing commissions on sales for their work at radio keys. The labor unions are active among the student operators. It remains to be seen whether the call of the sea, handed down through generations of fisher-folk ancestors, is still so strong in these children of a sailor race as to outweigh other considerations. The operator-pay cost will determine continuation of radio plants in many a French trawler.

The Radio-Maritime Company of Paris holds a monopoly of the radio instrument making business in France. It has specialized in development of sturdy simple radio sets for fishing craft with sending ranges of from 250 to 400 miles. Instruments are loaned on contract. They are valued at approximately \$1,200 and derive a rental of about \$27 a month with unlimited intership communication but a three-franc per word charge on shore-bound messages. There is an uproar of protest against this charge, which may be lowered. Operators are paid \$23 a month plus one franc commission on each 1,000 francs worth of fish caught and sold by the ship.

It has been estimated that Iceland and Newfoundland trawlers work the radio in their business to the extent of 100,000 words for each six months of fishing, including intership messages. They are keeping ship-shore business down to minimum, however, because of the message rates.

Recent experiments among the trawlers include radio phone installation on ship dories. It is hoped that loss of the dories and their crews in foggy weather or in darkness will be eliminated by the connection.



## United for the Nation's need

We are a people scattered over three million square miles of territory—a people whose daily commercial transactions and social interests are as wide-spread as our boundaries. Only a unified telephone service, covering the whole country, can serve our needs.

Such a service, in turn, requires a national organization with uniform policies and operating methods; and also in each community a local organization with full authority and responsibility for the problems of that community.

Such a service is the service of the Bell System. Two hundred and fifty thousand employees and approximately six thousand local operating units cover the length and breadth of the land. Uniting these community organizations are the Associated Companies of the Bell System, each responsible for service in its territory.

Linking together the Associated Companies is the American Telephone and Telegraph Company. It operates the long distance lines, develops nation-wide policies, standards of practice and equipment for the improvement of the service and for the benefit of all.

In this commonwealth of service the best interests of the nation and the community are equally served.

#### "BELL SYSTEM"

AMERICAN TELEPHONE AND TELEGRAPH COMPANY  
AND ASSOCIATED COMPANIES

One Policy, One System, Universal Service, and all directed toward  
Better Service





# NIBROC

## The Perfect Towel



ONE WIPES DRY

**B**IG business equips its washrooms with Nibroc Towels because they are more economical and render a more satisfactory towel service than linen or flimsy substitutes.

Men appreciate Nibroc because they are real towels, made of clean, strong fibre. They are soft, absorbent, and so stoutly made that ONE WIPES DRY, and leaves the skin free from lint.

Write for sample and name of nearest NIBROC distributor.

**Brown Company**

founded 1852

PORTLAND, MAINE, U. S. A.

New York Atlanta Pittsburgh  
St. Louis Chicago Minneapolis

**FREE** For everyone interested in building

Shows the advantages of SLATE for

Roofing, floors, walks, paving, blackboards, structural, sanitary, electrical and general purposes

**SLATE**  
CONSIDER ITS USES

NATIONAL SLATE ASSOCIATION  
757 DREXEL BUILDING PHILADELPHIA

## Starting a Company?

Save expenses and taxes by organizing on the popular, COMMON LAW plan under a pure DECLARATION OF TRUST. No experience required to fill in DEMAREE STANDARD FORMS, issue shares and begin doing business at once. Genuine DEMAREE FORMS are nationally known, approved by attorneys and utilized by successful concerns throughout the United States. Send for large, free pamphlet (D-14) containing valuable information that you may need. C. S. DEMAREE, legal blank publisher, 708 Walnut, Kansas City, Mo.

## Log of Organized Business

**A**N IMPORTANT problem of garment manufacturers is to determine a safe level of production with close adherence to the manufacture of articles for which a market exists, in the opinion of Alvin E. Dodd, manager of the Domestic Distribution Department of the National Chamber. In the words of Mr. Dodd:

Distribution cannot, under the present scheme of things reduce its costs in the same sense that garment manufacturers can reduce the cost of production. You can substitute sewing machines for hand-stitching. You can substitute power-driven machines for foot-pedal machines. You have speeded up in every process and cut down in every cost, but you can't speed up women shoppers in deciding between a pea-green gorgette waist and a pale-pink, vegetable-silk sweater. This is the problem of the distributor. This is the fundamental reason for those costs in distribution which begin at the factory and end only with the retail customer's price.

Until there is a surcease in the competition to create demand, to create new styles and to create new markets there is no hope of any decrease in the costs of distribution. Until under-production and over-production are weighed against each other for a reasonably constant rate of production, costs of distribution will follow the extremes of wholesale price changes as the night follows the day.

In the Domestic Distribution Department we have studied the relations between the prices of raw materials, of products in their wholesale stage and on the counters of retail stores and we are so convinced of the approximate parallelism of all prices, even under the extraordinary conditions of the World War that when we know a wholesale price we can with almost absolute accuracy state the retail price.

### Coinurance Discussed in Bulletin

**B**ULLETIN Number Six issued by the Insurance Department of the Chamber of Commerce of the United States discusses various aspects of coinurance. Typical provisions for the equitable distribution of fire loss are explained, and the bulletin invites attention to the necessity for considering the fire hazard presented by each risk, and the relative amount of insurance carried on the property. An informative analysis of the cost of full insurance is offered in the bulletin, with the fundamental basis of the coinurance clause considered from the group point of view.

The cost of 10 per cent insurance is measured in a tabular view, supplemented with illustrative examples. The common use of the 80-per-cent-coinurance clause is recognized in paragraphs on the determination of rates. Policies are sometimes issued with higher percentages, and the rates will vary with the percentages used, the bulletin asserts in an introduction to a table of the costs of insurance on a typical building valued at \$10,000.

To show the application of the coinurance clause to a specific property and to enable a business man to calculate his indemnity under a coinurance clause, the bulletin gives typical examples indicative of the manner in which losses are settled under an 80 per cent clause.

### Seattle Believes in Seward's Forecast

**T**HE pedestal of the Seward statue which stands in Volunteer Park, Seattle, will bear Seward's significant forecast of the commercial importance of the Pacific states and of the Orient, if the city authorities act favorably on a recommendation made by representatives of the China Club of Seattle and of the Chamber of Commerce, citizens, and

Julean Arnold, American commercial attaché assigned to Peking, China.

The words recommended for inscription on the pedestal are:

... The Pacific Ocean, its shores, its islands, and the vast regions beyond, will become the chief theater of events in the world's great hereafter. . . .

The words are included in a speech of Senator William H. Seward in the United States Senate, July 29, 1852, on a bill

authorizing an exploration and reconnaissance of the course of navigation used by whaling vessels in the regions of Behring's Straits, and also of such parts of the China Sea, Straits of Gaspar, and Java Sea as lie directly in the route of vessels proceeding to and from China.

The words recommended for inscription are held to be particularly appropriate by reason of Seattle's maritime position and her ambition to play a real rôle in the drama of Pacific progress.

### A Service for Southern California

**T**HE Los Angeles Chamber of Commerce reports that its Organization Service Department, established December 1, 1921, has been instrumental in reorganizing twenty-two chambers of commerce in Southern California, and also in conducting financial campaigns, in which a total of \$157,250 was raised for the use of those chambers, at a saving to them of more than \$30,000.

Since the department's establishment, Charles P. Bayer, the manager, has traveled more than 37,000 miles in community service, has addressed 147 organizations outside of Los Angeles, has addressed more than 53,000 people in public meetings, and has visited the headquarters of 239 organizations in addition to those addressed. Mr. Bayer now has three assistants, who give all of their time to the service of communities by helping them to plan programs of work and to solve their various organization problems.

The Organization Service Department was established chiefly by reason of the desire of Frank Wiggins, secretary of the Los Angeles Chamber, to have all the commercial organizations of the Southwest function with the highest efficiency, so that they might render the greatest possible service to their respective communities.

### Joint Chamber and Social Exchange

**T**HE problem of securing the future prosperity of communities dependent on agriculture has been attacked with plan and purpose by Van Wert, Ohio, a county seat town of 8,100 people. Van Wert awoke in the spring of 1922, realizing that if she was to get anywhere in the long deflation period predicted by business forecasters, steps must be taken which would make easier the co-operation of all the people in the realization of a definite plan.

These steps culminated in the organization of a community clearing house, which is trying to bring into closer relationship all the many activities of Van Wert—business, civic, social, and religious. The organization unites the functions of a chamber of commerce with those of a social exchange, both of which were needed in Van Wert.

The practicability of establishing two such organizations was questioned, and the suggestion that their work be joined in one office under one leadership found decisive favor with the leading citizens as the more eco-



nomical and effectual way of promoting the community welfare.

The financial requirements for the first year's work were placed at \$20,000. This decision was followed by a campaign of community education which extended over a period of several weeks, and which closed with a successful one-day financial canvass.

Organization of the clearing house rests on committee assignments. There is a general committee of one hundred persons carefully selected to represent all the many activities of the community. These hundred persons choose an executive committee of nine, who through three employees—an executive secretary, a social service secretary and a stenographer, seven major committees—membership, publicity, business and professional service, municipal service, social service, out-of-town relations, and statistical, and numerous flexible sub-committees conduct the work of the clearing house.—ERNEST I. ANTRIM.

#### Centennial Celebration at Macon

THE centennial of the founding of Macon, Georgia, was celebrated in May with a three-day program, including a festival of flowers, a historical pageant, parades, band concerts, and a street carnival. The program was presented under the auspices of the Chamber of Commerce and affiliated organizations. To make clear the purpose of the celebration, the Chamber issued a statement, which said that:

"The real motive which has inspired the Chamber of Commerce is a genuine desire to unite the largest possible number of our people in one great community celebration reflecting the traditions and achievements of the past and expressing the ideals and hopes of the future. If this objective is accomplished, it will mark the beginning of a civic revival in Macon, the dawning of a new era of progress and prosperity for the entire community and the territory it serves.

#### Survey and Welcome at Same Time

TO IMPRESS manufacturers of Wilmington, North Carolina, with the community's good-will, the Chamber of Commerce, in co-operation with the Rotary, Kiwanis, and Lions, clubs, is sending committees to visit the manufacturing plants in the city. Each week a committee of three men representing the Chamber and the three clubs goes out to one of the factories, and in addition to its interest in strengthening the bonds of fellowship, its members collect information on pay-rolls, sources of raw materials, distribution of products, and on similar phases of the plant's operation, so that by the end of the "good-will campaign," an industrial survey of the city will also be completed.

#### Chamber Sponsors Ypsilanti Hotel

THROUGH the efforts of the Board of Commerce at Ypsilanti, Michigan, "A good hotel suited to the needs of Ypsilanti" is now in operation. In 1920 as a result of a canvass of the sentiment of members and through committee investigation, the Board of Commerce committed itself to undertaking the erection of the hotel, which represents an investment of \$207,500. The operating company is capitalized at \$250,000. The hotel was formally opened at the beginning of this year.

#### Free Film from Washington Bureau

THE Bureau of Commercial Economics, a non-profit organization with no capital stock, during the last few years, in cooperation with foreign governments, universities

# BRASCOLITE

PATENTED AND TRADE MARK REGISTERED

for Better Illumination

Brascolite No. WF

All sizes from  
100-watt to  
300-watt lamp



There is a  
Brascolite  
for every  
lighting need

The invention and perfection of Brascolite, ten years ago, marked the greatest achievement in the lighting fixture industry. Embodying an entirely new principle in the use and direction of the light rays—diffusion plus reflection at the source of light—its proved efficiency and economy have made it the largest selling lighting fixture in the world—over a million now in use.

There is a standard Brascolite design to harmonize with almost any architectural or decorative treatment—or we can adapt the Brascolite principle to meet any special requirement that you may have.

We are also prepared to design and make any special style or character of lighting fixture that may be desired and for that purpose our Engineering and Designing Departments are at your service—anywhere, at any time—without obligation.

Write Dept. NB for copy of our new illustrated Catalog No. 10—just off the press.

**The EDWIN E. GUTH COMPANY**

DESIGNERS - ENGINEERS - MANUFACTURERS

**Lighting Equipment**

ST. LOUIS, U.S.A.

Formerly the St. Louis Brass Mfg. Co. and the Brascolite Company

BRANCH OFFICES (Sales and Service)

Atlanta Boston Chicago Cincinnati Detroit Los Angeles Minneapolis  
New Orleans New York Omaha Philadelphia Seattle



**HALCO SERVICE**

Thousands of concerns have found it advisable, from the standpoint of service as well as economy, to buy their supplies for typewriters, mimeographs, multigraphs, addressing machines, etc., from one company that specializes in the manufacture of highest quality inks, ribbons, stencils, carbons, etc. Halco Service assures you the highest quality products of this kind at manufacturers' prices. It also assures you a rapid service by taking advantage of the facilities of our branch offices which are advantageously placed to make quick deliveries from stocks that are always fresh.

Write for particulars and latest price list

**THE SHALLCROSS COMPANY**

1458 Grays Ferry Road, Philadelphia, Pa.

BRANCH OFFICES: 51 E. 42nd St., New York; 128 N. LaSalle St., Chicago; 235 Montgomery Street, San Francisco.

A few protected territories still open to reliable dealers

## Canadian Plant For Sale

Plant consists of four major buildings of brick and concrete construction (one suitable for machine shop), two frame storage houses, an oil house and an open shed, with a total floor space of 18,000 sq. ft., situated on plot 240 x 140 ft. fronting on main trolley line and near two railroad freight yards in Walkerville, Canada, directly opposite Detroit. Planned for minimum personnel and to facilitate expansion. Pattern shop equipped for either wood or metal patterns. Foundry equipment includes two crucible brass furnaces, core oven, crane and cleaning up machinery. Detailed information may be had by writing to "Foundry" c/o THE NATION'S BUSINESS, U. S. Chamber of Commerce, Washington, D. C.



## A Thrifty Cross-Section



**R**EVIEW the occupations of the holders of the American Telephone & Telegraph Co. securities and you see a striking cross-section of America's thrifty workers.

You will find almost every industry represented. Bankers, of course—for these securities are favorite holdings of the men who so often are sought for investment counsel. Also architects and merchants, blacksmiths and butchers, clerks and farmers, salesmen and lawyers, doctors and housewives—these and thrifty folk in a hundred other classifications hold A. T. and T. securities. It is a true test of their appeal as the great American investment for prudent Americans.

This very wide-spread holding of the securities (there are over 250,000 stockholders, with an average of twenty-six shares each) is an assurance of the stability of the investment as well as an indication of its quality.

A. T. and T. pays 9% dividends on the stock outstanding. Today the stock can be bought in the open market to yield approximately 7%. Full information sent on request.



### BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President  
195 Broadway NEW YORK

## Bolivar Tips

— Moving Picture Promoter —

**H**E tried to get some money out of Strodesville and nearly succeeded. What happened makes a good story. You will find it in the August NATION'S BUSINESS. J. R. Sprague is its author.

and other agencies has put in free circulation more than 60,000 reels of motion picture film with views of cities and beautiful scenes in all parts of the world, views illustrative of the social habits and customs of the people of many countries, and views showing manufacturing processes in detail.

The reels come to the bureau from all over the world and are available for free use by schools, community centers and localities without easy access to motion picture theaters.

The offices of the bureau are at 1108 Sixteenth Street, Washington, D. C.

### Celebrations for New Citizens

**N**EW citizens of Rochester, New York, are welcomed at appropriate celebrations sponsored by the Council for Better Citizenship of the Chamber of Commerce through its New Citizens' Committee. On Washington's Birthday a special supper was served for new citizens. Secretaries of chambers of commerce may obtain copies of the rules and regulations of the New Citizens' Committee of the Council for Better Citizenship from the secretary of the Rochester Chamber of Commerce.

### Harrisburg Advertises in Cars

**C**ARDS placed in street cars at Harrisburg, Pennsylvania, invite the stranger to consider the possible benefits to be derived from residence in Harrisburg. The cards present brief statements prepared from information provided by the Chamber of Commerce. One of the cards bore the legend:

Are you a stranger? Harrisburg offers you every facility and inducement for getting better acquainted and finally becoming a resident. Call on the Chamber of Commerce.

### Mining Department for Sacramento

**A** DEPARTMENT of mines and mining has been established by the Chamber of Commerce at Sacramento, California. Outlining the purpose and scope of the new department, the chamber's secretary, A. S. Dudley, said:

One of the strong features which will be developed as the department grows will be the contact which is to be made between mining interests and financial interests. The department will refrain wholly from the endorsement of stock selling schemes and it will lend its aid in every possible consistent manner toward the stabilizing of the mining industry.

There will be, as one of its paramount functions, the broadcasting of publicity to the end that the general public may begin to think more about the mining industry and indirectly be in a receptive frame of mind to make investments.

At present, we have a manager of the Mining Department with a stenographer as an assistant. The State Mining Bureau is placing their main branch office in the Chamber of Commerce building in connection with our Mines and Mining Department, so we will have available the backing and the service of the State Mining Department with two mining engineers operating out of this office.

### Springfield Stores Protect Credit

**F**RUIT and produce dealers of Springfield, Massachusetts, have organized under the name of the Springfield Market Credit Association, and they have formulated a successful credit protection plan. Every week each member of the association provides the Credit Bureau of the Chamber of Commerce with a list of the over-due accounts on his books. A composite list is then made of the separate lists provided by the merchants. Each name on the list is numbered and the number of association members to whom the person



listed is in debt is recorded, together with the total amount owed by the debtor.

The master list is kept in the office of the Credit Bureau, and beginning Monday morning of every week, as soon as accounts are settled at the offices of members of the association, the payments are immediately reported by telephone to the Credit Bureau, which once an hour reports the numbers cleared to all members of the association.

Members violating any of the terms of membership are subject to fine.

### Frisco To Help Raisin Growers

CALIFORNIA'S active interest in removing the financial difficulties of her raisin growers carries impressive attest to the importance of the raisin industry of the San Joaquin Valley. The San Francisco Chamber of Commerce, through its president, Wallace M. Alexander, issued a statement with reference to the growers' efforts to finance the coming harvest, which declared that:

the failure of this campaign would mean one of the greatest industrial calamities we have had in California in years—a calamity that would be as disastrous to the people of the San Joaquin valley as the fire of April 18, 1906, was to the people of San Francisco.

A report made to the Chamber indicated that the raisin growers have utilized their resources to the utmost, and have raised \$2,100,000 by their own efforts. They have appealed to San Francisco to take a certain amount of stock in their cooperative association. San Francisco's aid was to be pledged at a mass meeting, to which was invited:

every man and woman in San Francisco who can help save one of California's great productive assets.

### Boston Aids Good Management

BOSTON offers a helping hand to her trade interests through the Bureau of Commercial and Industrial Affairs of the Chamber of Commerce. The bureau emphasizes the need for good management, and in that belief it is interested in discovering and passing along to business men the best methods for doing their work. The organization includes a committee and sub-committees of representative business men, with an adequate working staff. Members of the sub-committees discuss the work carried on in their own establishments, and their conclusions and findings are made available by publication to other members of the Chamber.

The bureau now has sub-committees or groups assigned to the following subjects: Industrial planning, tabulation of orders, ordering and preparation of raw materials, stock-keeping systems, routing of various units through the factory, financing and purchasing, efficient combination of mechanical equipment and labor, and industrial accounting, and executive reports.

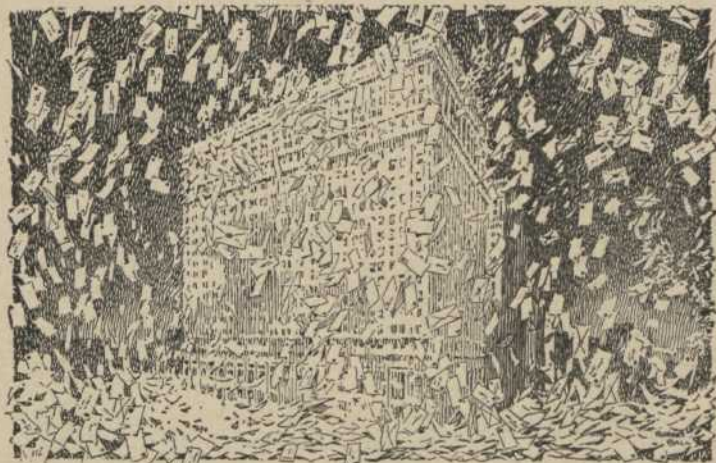
Reports have been issued on balance sheets and profit and loss statements, classification and division of ledger accounts, practical experience in office management, and budgetary control for business.

The bureau is also interested in developing new business, and in keeping informed on certain phases of industrial relations.

### Spokane Uses Illustrated Notices

ILLUSTRATED notices printed by means of a mimeograph machine are now being used by the Chamber of Commerce at Spokane, Washington. The notices win attention and bring results, the Chamber reports. Samples of the illustrated notices may be obtained from the secretary of the Spokane Chamber.

## DAILY GRIST<sup>®</sup> for the MILL of BUSINESS



DEPARTMENT organization of 210 trained employees is necessary to handle the 7,000 pieces received and the 8,500 pieces sent by mail every day by the Continental and Commercial Banks.

These 15,500 envelopes average five enclosures each. The amounts received for credit reach 25 million dollars a day.

Like daily grist for the mill of business is this flow of checks, notes, drafts and other banking paper to and from all parts of the United States—through our Mail Department.

This is only one of many ways we are contributing to the performance of American business,—local, national and international.

## The CONTINENTAL and COMMERCIAL BANKS

Resources more than  
\$500,000,000

CHICAGO

"An extra measure  
of service"

## The Shrewdest Buyers in the country use ton upon ton of Foster Guaranteed Rails---Why? Because Foster Rails are Guaranteed.

A trial will convince you---  
send us  
your next  
inquiry.

One Ton  
or a  
Thousand

New Rails,  
Relaying Rails,  
Frogs, Switches  
Splice Bars, Bolts,  
Nuts, Spikes, Tie  
Plates, Rail Braces.

L. B. FOSTER CO.  
Pittsburgh - New York

WAREHOUSES:

PITTSBURGH  
JERSEY CITY

PHILADELPHIA  
HAMILTON, O.

Your phone, wire or mail inquiry given immediate attention







New Hotel Statler, Buffalo—View leading from lobby to palm room—showing one of the several applications of ALUNDUM SAFETY TREADS.

Architects: George B. Post & Sons, New York, N. Y.  
Installed by L. Del Turco & Bros., Inc., Harrison, New Jersey.

ALUNDUM SAFETY TREADS were used on all stairways leading from the main floor of the New Hotel Statler, Buffalo. They are slip-proof, durable and can be furnished in any harmonious color combination.

Alundum Safety Treads, Thresholds, Tile and Platforms are manufactured by

**NORTON COMPANY**  
WORCESTER MASS.  
T-70

## Corporate Financing

**Wm. A. White & Sons**

Established 1868

46 Cedar St. New York

WE invite correspondence from established, successful enterprises contemplating long-term or permanent financing in the form of mortgage loans, bond or stock issues for expansion, refunding or additional working capital purposes. After completing our analysis we advise as to the most advantageous plans of financing and subject to our clients' acceptance, we negotiate the sale of the entire proposed issue with an Investment House, which, in our opinion, is best suited for underwriting the issue. Reasonable charges, previously agreed to, are made for our services only in event of consummation of sale.

## Human Nature in Business

By FRED C. KELLY

ONE AFTERNOON, a few years ago, the proprietor of a barber shop in Akron, Ohio, stared into a shaving mug and saw a great light.

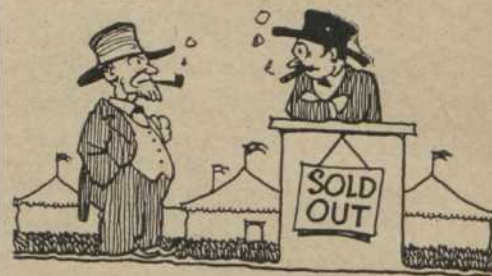
The shop where he operated was in the heart of the old business section of the town. He shaved men who occupied offices or worked in stores thereabouts.

One day it dawned on him that Akron was undergoing a transformation and that the older men among his customers greatly outnumbered the young ones.

"They get their hair cut once a month," and shave themselves, and that about lets them out," reflected the barber. "They don't care if they never have an expensive shampoo or facial massage or toilet water. It isn't that they haven't the money, but they are settled down and don't care so much about how they look. Now if I just had more young fellows who are going with the girls, and —"

Thinking along that line, he jumped, mentally, out to East Akron, where dwelt thousands of young men employed in the tire factories—making big money and spending it, interested in "snappy" clothes and modish haircuts.

This barber shifted his base of operations and opened a little tonsorial studio near one of the tire factories. His weekly profit promptly increased from forty to one hundred dollars.



ED. NORWOOD, publicity director for the Ringling-Barnum & Bailey circus, tells this story which he declares is true:

An old man approached the ticket wagon on the circus grounds and asked for three seats for the afternoon performance.

"Sorry, but we're sold out," the ticket seller told him.

"You mean to say you haven't even three seats you can sell me?"

"That's about the situation."

"Well," opined the old man with acerbity, "I call that durned poor management!"

EARL D. BABST, president of the American Sugar Refining Company, is a stickler for accuracy and precision in business practices. When he first went to his present job, he found that his company had a mailing list filled with abbreviations of people's names, such as *Jno.* for John; *Edw.* for Edward or Edwin; or *Geo.* for George. Then there were many names with only the initials given



though the proprietor of the name was accustomed to signing himself in full; Pericles De-Puyster Mainwaring would be written merely P. D. Mainwaring. Imagine! Then there were many names not even spelled correctly. Babst changed all this, even though it meant destroying a valuable collection of stencils, and enforced a rule that there must never be any abbreviations in customers' names—nor any carelessness about the spelling of them. Nothing makes a man more indignant than to have somebody give him a wrong middle initial—proving to him how little impression his name has made.

I find also that much harm is done by the use of out-of-date mailing lists. Just recently I received a chatty circular letter from the proprietor of a highly recommended bootlegging studio. He offered me a choice line of goods, but he addressed me at a street and town where I have not lived for several years. And he misspelled my name. To think that he knew so little about me was a jolt to my pride, and, moreover, I did not wish to encourage such slipshod business methods—particularly in a line where there is the keenest competition. So I ignored his letter.

I MUST confess to a sneaking admiration for the ingenuity of a fake mining stock promoter who did this:

He wrote to the mayors of a number of the smaller cities and asked each one for a copy of the local telephone directory. He could have written direct to the telephone company, but he invariably sent his request to the mayor. Most of the mayors granted his request. When he received a 'phone directory, he checked off the names in it that looked promising and wrote letters which began as follows:

"Your name has just been brought to my attention by the mayor of your city."

IN THE long run, the eastern side of a town is more likely to have rapid growth than the western side, for residence purposes—because a substantial proportion of business men ride back and forth from home to office by automobile, and if they live on the west side, they have the sun in their eyes coming down in the morning, and again during the drive homeward in the evening.

A NEIGHBOR of mine dropped in at meal time recently to tell me of a St. Louis banker friend who met in a self-serve restaurant one of his own employees. As the banker and his clerk sat munching their simple rations, the employe happened to look at his watch.

"Handsome watch, that," remarked the banker.

"Yes," replied the clerk, "it is a nice watch. Funny thing about that, too"—and he went on to tell how he happened to buy the watch. It seems that he was short of money at a road-house one night and was obliged to cash a check for \$40, though he chanced at that moment to have no funds to his credit. The next morning he tried to borrow money to deposit before the check should come in, but was unable to raise more than \$5. While wondering what to do, he happened to see



# NEO-LEUM

RENEW THE OLD PRESERVE THE NEW

Protects your desk and table tops, assures a perfect writing surface always, rests the eyes, improves appearance, keeps clean, doubles the life, costs less than other top materials of all kinds.



## Wagemaker

### Stands for Quality

Our Edition De Luxe Desk illustrated above may be equipped with card index and letter filing metal trays of all sizes. These trays are hung on the drawer sides and are instantly removable.

In addition to our line of office systems as illustrated in the above desk we also make a complete line of index cards and guides; vertical file guides and folders, etc.

Our line of wood filing devices consists of some 250 pieces to meet every business requirement.

Makers of  
Highest Quality  
Filing Devices,  
Filing Supplies  
and Edition  
De Luxe Desks

Write for  
Catalogs

Wagemaker Co., Grand Rapids, Michigan, U. S. A.



Willson Goggle, L1. The Willson Triangular Welding Goggle. Effectively protects against glare and burns.



Willson Goggle, LJ31½. For chipping and other dangerous work where maximum protection and comfort are essential.



Willson Goggle, T1. For grinding, buffing, polishing and other light work. Can be worn over glasses.

## Workmen Will Wear WILLSON Goggles

WHEN your workmen will not wear safety goggles, it is your risk as well as their danger. Give them comfortable goggles—the kind they will wear.

Willson Safety Goggles are designed for maximum comfort and protection. They fit lightly and snugly over the eyes, and provide utmost safety.

Willson Safety Goggles comply with the Bureau of Standards' "National Safety Code for the Protection of the Heads and Eyes of Industrial Workers," and are manufactured under the supervision of The Underwriters' Laboratories.

Types of Willson Safety Goggles are made for all industrial operations. The complete Willson line is shown in the 1923 catalog. Copy upon request.

WILLSON GOGGLES, INC., Reading, Pa.

Largest factory in the world making goggles, respirators and welding helmets exclusively.





We all enjoy play, and play brings thirst.

**Enjoy thirst~wherever  
you are, quench it with  
this beverage ~ not  
from one vine or one  
tree, but a blend of  
pure products from  
nature's storehouse  
with a flavor all its  
own**

**Drink**

**Coca-Cola**

**Delicious and Refreshing**

**5¢**

The Coca-Cola Company  
Atlanta, Ga.

Served ice-cold at  
fountains or in bottles.

## How Are Buying Habits Formed?

**T**HIS is a rather large subject, as one might say, and yet we are going to present an article by Harry Botsford in the August "*Stranger-Than-Fiction*" number of *NATION'S BUSINESS* that will give you a lot of definite examples.

the sign of an installment jewelry place. There he bought a \$75 watch on a down payment of \$5—after proving that he had a good business connection—and a few minutes later he pawned the watch for \$40, which he promptly deposited against the check of the night before.

"I should immediately have discharged the fellow," the banker said, in telling the clerk's story. He was too slick a man to have around a bank. But I didn't, and now—well, sure enough, last week he got away with \$23,000."



**H**ERE is a tip for haberdashers:

Nearly every woman would like her husband to dress better than he does, fearing that if he doesn't look more important, other women may think she failed to attract a mate of real consequence.

**A** REAL estate man I know recently sold a farm that had been on the market for four years. It was so far from the main road that every possible buyer declared it was too isolated. This agent I mention tried a new tack. He took his customer to several other higher-priced farms lying between the starting point and the place he hoped to sell. From the last place to the final destination was only half a mile. By thus breaking the journey it didn't seem so far, and the man bought the farm.

**A**N EMPLOYER I know who personally hires hundreds of salesmen, always says to an applicant:

"I doubt very much if you would ever make a salesman. Your talents probably lie in some other direction."

If the man replies submissively, "Maybe so," then this employer knows his remark was true. The man *never would* make a salesman—because he has no spunk or come-back. But if the applicant retorts: "The deuce I can't sell goods! Me? Say, where do you get such notions? I can sell *anything!*"—if the man talks like that, then the boss knows there is hope.

**A**S ANOTHER test, this same employer often says:

"I have no place for you right now. But I might be able to use you later on. Go home and talk it over with your wife and come back next Wednesday." If the man fails to return, the employer assumes that he wouldn't do anyhow. He didn't show enough persistence.



Third Session

# National School for Commercial Secretaries

Under the  
Joint Auspices of

Chamber of Commerce of the  
United States

National Association of  
Commercial Organization  
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